

The NATIONAL UNDERWRITER

1837

1937

WESTCHESTER
CENTENNIAL
YEAR

Westchester Fire Insurance Co.
of New York

CRUM & FORSTER
Managers

THURSDAY, JANUARY 21, 1937



Styles Change

As office styles change, so do styles in insurance. Gone are the cumbersome methods that were once insurance style, replaced by today's modern policies — the Personal Property Floater, the Supplemental Contract and the Comprehensive Automobile Policy — wherever permitted by law.

In one policy, with one premium and one renewal date, these coverages offer your client protection formerly procured only through several policies. Savings in time and money constitute an insurance service particularly appreciated by clients. May we show you how we assist our agents in developing premiums through modern coverages?

The photograph, taken 35 years ago, shows the first office of H. J. Drane & Son at Lakeland, Florida, who have represented the "Liverpool" since 1886.

AMERICAN & FOREIGN
INSURANCE COMPANY
BRITISH & FOREIGN
MARINE INSURANCE CO., LTD.
CAPITAL FIRE INSURANCE CO.
OF CALIFORNIA
FEDERAL UNION INSURANCE CO.
THE LIVERPOOL & LONDON
& GLOBE INSURANCE CO. LTD.
THE NEWARK FIRE INSURANCE CO.
QUEEN INSURANCE COMPANY
OF AMERICA
ROYAL INSURANCE CO., LTD.
SEABOARD INSURANCE COMPANY
STAR INSURANCE CO. OF AMERICA
THAMES & MERSEY
MARINE INSURANCE CO., LTD.

ROYAL-LIVERPOOL GROUPS
150 WILLIAM STREET, NEW YORK, N. Y.

PUBLIC ENEMY

No 8 Robbery



Robbers have victimized the thrifty since history began, and NO DAY PASSES without its record of brutal holdups often ending in tragedy.

Despite police vigilance and all the safeguards society has devised, the GUNMAN lurks close by—ready to strike in the most unexpected places.

Forewarned by experience, the prudent man arms with INSURANCE, the only sure way to recoup financial loss from burglary, theft or ROBBERY.

LOYALTY GROUP

Firemen's Insurance Company of Newark, New Jersey—ORGANIZED 1855

The Girard Fire & Marine Insurance Co. ORGANIZED 1853
The Mechanics Insurance Co. of Philadelphia " 1854
Superior Fire Insurance Company " 1871
The Metropolitan Casualty Insurance Co. of N.Y. " 1874

Milwaukee Mechanics' Insurance Company ORGANIZED 1852
National-Ben Franklin Fire Insurance Co. " 1866
The Concordia Fire Insurance Co. of Milwaukee " 1870
Commercial Casualty Insurance Company " 1909

WESTERN DEPARTMENT

844 RUSH STREET, CHICAGO, ILLINOIS

CANADIAN DEPARTMENT

461 BAY STREET, TORONTO, CANADA

EASTERN DEPARTMENT

10 Park Place
Newark, New Jersey

PACIFIC DEPARTMENT

220 BUSH STREET, SAN FRANCISCO, CAL.
SOUTH-WESTERN DEPT.,
912 COMMERCE STREET, DALLAS, TEXAS

Financial Strength

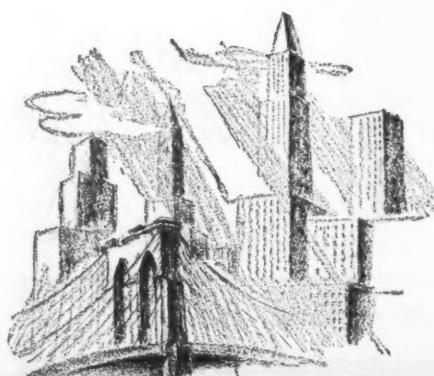
The COMMERCIAL UNION GROUP occupies a leading position among insurance underwriting institutions. Its financial position is unquestioned.

The Group has—

A STRONG CASH POSITION.
SUBSTANTIAL HOLDINGS OF SHORT TERM UNITED STATES GOVERNMENT AND OTHER SHORT TERM BONDS.

A WELL DIVERSIFIED LIST OF OTHER BONDS AND STOCKS.
A LARGE SURPLUS OVER LIABILITIES.

CONSTANT SUPERVISION OF INVESTMENT PORTFOLIO.



COMMERCIAL UNION GROUP

COMMERCIAL UNION INSURANCE COMPANY, LTD
AMERICAN CENTRAL INSURANCE COMPANY

COLUMBIA CASUALTY COMPANY

THE PALATINE INSURANCE COMPANY LTD

NEW YORK



THE OCEAN ACCIDENT & GUARANTEE CORPORATION LTD
THE BRITISH GENERAL INSURANCE COMPANY, LTD
UNION ASSURANCE SOCIETY, LIMITED

THE COMMERCIAL UNION FIRE INSURANCE COMPANY

CHICAGO

ATLANTA

SAN FRANCISCO

(STOCK COMPANIES)

These Companies write practically all forms of Insurance, except Life

WEEKLY
NEWSPAPER
OF
INSURANCE

The NATIONAL UNDERWRITER

Forty-first Year—No. 3

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, JANUARY 21, 1937

\$4.00 Per Year, 20 Cents a Copy

Automobile Cover in 1936 Profitable

Premium Income Believed to Have
Gained Markedly in Last
Year

LOSS IS SATISFACTORY

Collision Proves a Loser Although
Much Greater Demand for Cover
Is Noted

NEW YORK, Jan. 20.—It is generally understood that all fire companies will report a marked gain in automobile premiums for 1936, largely the result of the great number of new cars sold. Loss ratio on fire and theft for the year was satisfactory, offsetting very unfavorable experience met on collision cover.

Collision rates always have been deemed too high for the average motorist to pay, and until the chief financing companies insisted that this form of indemnity as well as fire and theft be carried by all clients, the volume of collision written was relatively light. During the past year, however, call for collision coverage materially increased.

Losses Correspondingly Higher

Unfortunately collision losses advanced correspondingly, if not in greater ratio. The result was that had it not been for savings effected on fire and theft lines, the automobile business as a whole might have gone into the red in 1936.

In earlier years, application of the \$50 or \$100 deductible endorsements to the collision policy served to keep losses within reasonable bounds; today however, underwriters report, the deductible clause is of little service. The large percentage of collision claims filed are for amounts substantially in excess of the deductible applying. While this condition may be due in degree to claim-mindedness of assured, underwriters are inclined to attribute it rather to more powerful engines used in modern cars, intensifying damage.

Watch Home-Trailer Field

Casualty and fire underwriters are watching closely developments in the home-automobile, commercial trailer and long distance auto-trucking fields and will continue to gather data for rate-making and formulation of rules. As to whether the auto-home is to become a permanently favored type of vehicle or is only a passing fad, continues a matter of pure speculation. There is no doubt that the movement is growing at present and may continue to do so for some time due to a number of causes. The home-trailer has struck public fancy, and automobile manufacturers, eager to increase production, are bending every effort to stimulate sale

(CONTINUED ON PAGE 27)

Insurance Should Meet the New National Order

DETROIT, Jan. 20.—"Governing Business" was the subject of Secretary Walter H. Bennett of the National Association of Insurance Agents for his address before the annual meeting of the Detroit Association of Insurance Agents this evening.

Addressing an audience composed not alone of agents, but of many of the industrial leaders of Detroit, Mr. Bennett talked not entirely of insurance, but dwelt also on social and economic conditions of the day.

"Is the government of business necessary?" he said in his introduction. "A-surely so! By whom? That depends! On what? On business itself."

Analyzed Recent Studies

Analyzing recent studies which prove the ability of America to provide for all its people, Mr. Bennett said:

"It is difficult to dissociate the rights of a free people under a democratic government from similar rights of the same people under industrial government. In truth I can see no good reason for any such separation. 'To insure domestic tranquillity' is a part and duty of both. While there must be rulers and governed; employers and employees; masters and servants; planners and builders; leaders and followers; nevertheless, we should not forget that a reconciliation of these interests is of highest importance."

Federal Social Security Measures

Turning to the federal social security legislation, Mr. Bennett outlined the views of its proponents and opponents, saying that whether or not it is a usurpation by federal government of the powers reserved to the states and to the people, and whether or not it violates the sound principles of constitutional government, remains to be determined by the U. S. Supreme Court.

While the Congress is wrestling with reforms the government is undertaking, he said, "there remains a huge task on the part of American business to eliminate so far as lies within its power any maladjustment that may be remaining in the business structure of the nation."

Unbridled Competition Danger

While insurance, he said, has long boasted that it is able to take care of its own affairs, the finest testimony of that condition would lie in its holding itself free from unbridled, unfair and unnecessary competition.

Without regard to any individual opinion as to the program being undertaken by the government, he said, the fact remains that many of its branches now have need for lines of insurance protection moulded to fit their particular necessities. He concluded with the following outline of some of the government's requirements and the responsibility of insurance to meet them:

"The federal government is today casting a sizable burden upon the business of insurance, or perhaps I should say, an uncommon opportunity and an advantage for an enlarged service to a siz-

able block of the insuring public. It has brought forth and established a large line of motor truck insurance requirements, with the view of having these instrumentalities traveling upon the public highways of the nation from state to state, properly, adequately and economically insured.

"There is an arm of the federal government commonly called the Resettlement Administration which is engaged in the building of thousand of new buildings throughout the nation wherein and by which a new line of insurance is brought into existence that seems not to fit into the general classifications heretofore established. There is in existence a large volume of public works requiring insurance of great proportions.

Present New Conditions

"The federal government is going into the rural communities carrying modern conveniences and necessities in the building and maintenance of which is required a unique line of insurance protection. All of these and various other ramifications of uncommon activities present to insurance management and the producing agencies a condition entirely new and not present in the old era.

"A part of these requirements fall into what can be called standard and uniform insurance practices governed by the rules and precedents heretofore established over the years. To this, insurance has splendidly responded in doing its part. The difficulty now lies along the line where, because of new adventures not properly falling into the old established classifications, standard

(CONTINUED ON PAGE 28)

Loss Figures for the Last Year Show an Increase

NEW YORK, Jan. 20.—The net fire and lightning losses of the country last December, the National Board reports, aggregated \$30,133,628, an increase of 32 percent over the preceding month, and 8 percent above December, 1935. December, 1935, losses were \$27,969,288; in 1934, \$23,895,897; in 1933, \$27,626,439, and in 1932, \$39,190,507. The addition of the December figures to those of the 11 preceding months brings the total fire loss of 1936 to \$293,537,245, compared with \$259,159,945, for the previous year, and \$275,652,060 for 1934.

The figures by months for the past three years are here given:

	1934	1935	1936
Jan.	\$28,002,583	\$23,430,504	\$27,729,930
Feb.	31,443,484	25,081,625	30,909,896
March	31,312,359	24,942,703	29,177,406
April	22,028,943	23,267,929	25,786,835
May	25,271,459	21,238,205	21,479,380
June	20,005,692	18,499,675	20,407,485
July	19,484,027	19,293,619	22,357,020
Aug.	19,613,145	18,137,060	21,714,495
Sept.	16,243,870	16,641,882	20,413,537
Oct.	18,236,272	19,735,871	20,439,136
Nov.	20,114,346	20,871,584	22,808,497
Dec.	23,895,879	27,969,288	30,133,628
Total	\$275,652,060	\$259,159,945	\$293,537,245

Total \$275,652,060 \$259,159,945 \$293,537,245

Examination Plan to Be Followed

Committee Meets in Chicago to
Work Out Procedure to Be
Pursued

COMPROMISE IS REACHED

Insurance Commissioners Find an Ac-
cord with the New York Depart-
ment and Superintendent Pink

The examinations committee of the National Association of Insurance Commissioners at a meeting in Chicago last week, with Jess G. Read of Oklahoma presiding as chairman, reached an agreement with Superintendent Pink of New York so that representatives of other sections of the country will participate with his department in the examination of New York companies. The committee will send representatives to New York to cooperate with the New York department examiners in forthcoming examination of the Metropolitan Life and Home Life.

Statement Is Issued

The statement given out after the meeting prepared jointly by Mr. Read and R. M. Clark, first deputy of New York, is as follows:

"Under Mr. Pink's proposal all of the work required in the preparation of the reports of the New York department will be done by the New York examiners but the representatives of the committee will assist and cooperate with the New York examiners and will have full access to all of the files and records of the companies. At the conclusion of the examinations the committee's representatives may concur in the New York report, prepare supplemental memoranda or write separate reports of their own as they may deem advisable.

Country Will Be Zoned

"The committee also considered the resolution adopted at the Hot Springs, Ark. meeting in December to zone the country into six districts for convention examination purposes, each of these districts to be composed of eight states, with the District of Columbia added to the district in which the states surrounding it are assigned.

"The zones proposed by Chairman Jess G. Read and approved by the committee are as follows:

1. Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, New Jersey.
2. Pennsylvania, Delaware, Ohio, Maryland, Virginia, West Virginia, North Carolina, South Carolina, District of Columbia.
3. Florida, Georgia, Alabama, Mississippi, Louisiana, Tennessee, Missouri, Kentucky.
4. Indiana, Illinois, Michigan, Wisconsin.

(CONTINUED ON PAGE 28)

Nothing Arbitrary in New Draft of the Illinois Code

PALMER SEES IT REASONABLE

Director Confident Third Effort to Get Unified Law Will Be Successful

With two strikes on his insurance code—representing the two times it has failed to pass the Illinois legislature—Director Palmer stepped up to the plate for the third time this week confident that the code as revised by the insurance section of the Illinois State Bar Association will be passed by the legislature.

Mr. Palmer in an address at the monthly meeting of the Chicago Association of Life Underwriters said the present draft does not represent changes in any substantial degree from the previous drafts, and although some 100 amendments and suggestions have been submitted by interested companies, organizations and individuals in all lines of insurance, he believed they and the department would be able to accept practically in toto the bar association's draft.

It is improved materially in phraseology, certain sections have been separated, and, he said, there is nothing in it that is arbitrary or unreasonable. Some requirements have been stiffened and some obsolete sections eliminated, but "there is nothing in it to which honest upright companies and conscientious brokers could object."

"I do not claim perfection for the new code to be introduced early in February," he said, "but I do claim that it is a great improvement. We do not believe at Springfield in any more regulation of the business than is absolutely necessary. One of the highly controversial sections relates to London Lloyds, but that does not affect the main provisions, dealing only with a particular kind of insurance. We also have tightened very materially on the mutual benefits." He pointed out that the department has put about 75 of these out of business, there being now only about 75 in operation.

Takes Decided Stand

Life companies should write only life and accident and health insurance, he said, and the code forbids otherwise. This affects only the Aetna Life and Travelers. The Aetna some time ago was reported to have discontinued writing workmen's compensation and public liability and to be working this off to affiliated companies. Both the Aetna and Travelers, it is said, probably no longer will take exception to the code prohibition in this respect.

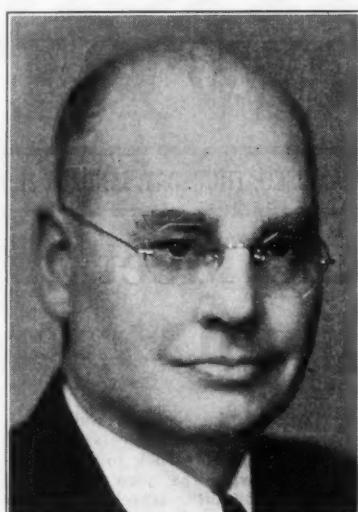
"We have set out the exact sorts of securities for investments of insurance companies," Director Palmer said, "and have attempted to remove as far as possible the discretion of the individual insurance director in regard to companies' authorized investments. We believe in putting as much in the letter of the law as possible."

Mr. Palmer again referred to the old criticism that he was an insurance "czar," characterizing this as "bunk." He said, "There is very little discretion left in the director, and then only where absolutely necessary."

The revised code, he said, is in language that anyone can understand. A section specifies definitely as to the types of policies that can be sold in Illinois. In the past, he said, a great part of the policies were sold without the department's recognition or approval.

"So far as I know," he said, "there are substantially no companies that object to the provisions of the revised code. After the bill is introduced we intend to push for its passage without obstructive and dilatory amendments." Jan. 25 was said to be the final date for filing proposed amendments and sugges-

Made General Adjuster in North Dakota Field



VERNE E. NOBLE

Verne E. Noble, manager of the Cedar Rapids branch of the Western Adjustment, has been appointed general adjuster for North Dakota and in about a month will remove to Fargo to be associated with Manager Whittlesey and the members of the Western staff at that point.

Mr. Noble has been in Cedar Rapids for eight years, prior to which time he spent five years at the Des Moines branch. Before entering the adjusting field he was a claim adjuster for the Rock Island railroad. He is a man of excellent poise, wide experience and mature judgment in loss matters.

tions with the bar association committee.

THE WEEK IN INSURANCE

National Association of Insurance Commissioners at its meeting in Chicago reached an agreement with Superintendent Pink of New York as to proceedings in that state.

* * *

Secretary **Walter H. Bennett** of the National Association of Insurance Agents addresses Detroit Association of Insurance Agents on "Governing Business."

* * *

Automobile insurance in 1936 on whole proved profitable, although collision in spite of increased premiums proved a loser.

* * *

Plans for merging the rating bodies in New England territory are under way.

* * *

Revised supplemental form No. 3 made effective Jan. 11 by Explosion Conference.

* * *

Verdict directed for North America in **Hiram Walker distillery case**.

* * *

Kansas City reciprocal litigation held up by Missouri supreme court.

* * *

Much protest is heard over examinations made by the **Louisiana Insurance department**.

* * *

James M. McCormack, insurance man of Memphis, becomes **Tennessee insurance commissioner**.

* * *

Director Palmer of Illinois confident revised **insurance code** will be passed; to be filed early in February.

* * *

Ralph Rawlings, president of the Monarch Fire, died Sunday.

* * *

Secretary F. J. Breen of the National Union Fire is honored by his associates on his anniversary.

* * *

H. W. Chesley, E. H. Born and Wallace Rodgers have been appointed assistant managers of the **Western Underwriters Association**.

* * *

South Jersey Field Club told of success of state's business placing program.

* * *

Page 8

Reduction in benefits in Pacific Mutual non-cancellable policies creates some problems in writing new accident and health business on policyholders of that class.

Page 33

Table is given showing the total fire losses for 1936 compared with those of the two previous years.

Page 3

America Fore companies will hold board meetings this week and will undoubtedly abolish the post of chairman of the board.

Page 6

W. J. Beverly has been promoted from Massachusetts special agent of the Royal Exchange to assistant general agent at New York headquarters.

Page 14

S. T. Hilbert of East Liverpool, O., becomes president of the **Ohio Junior Association of Insurance Agents**, succeeding Paul Laurenson of Canton, O., who goes to the head office of the Hartford Accident & Indemnity.

Page 18

The Oklahoma house **orders an investigation** of the state insurance board, state fraternal insurance board and state insurance commissioner's office.

Page 20

Deficient ground and radio equipment due to uncompleted **federal air route program** may be big factor in six disastrous commercial aviation crashes of last month.

Page 31

It is stated that all casualty companies writing in Illinois will declare their attitude toward **proposed occupational disease assigned risk plan** within a few days.

Page 32

California Acquisition Cost Conference holds annual meeting. Chairman Fay reports cooperation and progress.

Page 32

Compulsory assignment of workmen's compensation risks under state statute is fast growing idea, with bill filed in Minnesota legislature and another threatened in Illinois.

Page 31

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The 1936 fire loss in **Augusta, Ga.** was only \$25,000. The 1935 loss was \$123,000.

Supplemental Form Revised by Explosion Conference

MANY CHANGES ARE MADE

Motor Vehicle and Smoke Damage Risks Now Assumed Under Special Conditions

Announcement of a revised supplemental contract No. 3, superseding the form of May 6, 1935, and containing numerous classifications of wording and several important changes, is made by Manager W. F. Roemke of the Explosion Conference, effective Jan. 11. Revised forms 3A, 3B and 3C are being prepared to conform with revised conditions of the new combined contract and soon will be ready for use.

Motor vehicle damage now is assumed under the special condition: "This company shall not be liable under this supplemental contract for loss or damage caused by any motor vehicle owned or operated by the owner of the property described herein or by the employees of either or any tenant thereof; nor for any loss or damage to any property described herein or by the employees of either or any tenants thereof; nor for any loss or damage to any property outside of building walls; nor for any loss or damage to any motor vehicle or part thereof whether or not covered by such fire insurance policy."

Trailers are interpreted to be motor vehicles.

Assumes Smoke Damage

Smoke damage is assumed under the condition: "This company shall be liable under this supplemental contract for all direct loss or damage to the property and interest (s) covered hereunder caused by smoke resulting from the sudden, unusual or faulty operation of any stationary furnace used in whole or in part for heating the premises herein de-

(CONTINUED ON PAGE 41)

Three Assistant Managers Have Now Been Appointed

GOVERNING COMMITTEE ACTS

Western Underwriters Association Gives Deserved Recognition to Chesley, Born and Rodgers

The governing committee of the Western Underwriters Association has enlarged its staff by appointing Harry W. Chesley, Edward H. Born and Wallace Rodgers, assistant managers to work with Manager Charles F. Thomas. All three have been identified with the organization for some time. Messrs. Chesley and Born have been identified with the governing committee's office more than 15 years. Mr. Rodgers is a more recent attache, he having developed the program of education and publicity initiated by the public relations committee.

Mr. Chesley entered the insurance business in Washington, D. C., where he was engaged in local agency work in the firm of Chesley & Chesley. On his return from the war as captain in the ordnance department he was transferred to the war risk insurance department, being placed in charge of the regional office handling Ohio, Indiana and Kentucky. In 1920 he was employed by the governing committee. He has looked after many of the important details of the office. He has charge of interpretation and enforcement of rules, "Bulletin," service and so on. He is assistant secretary of the Western Hail & Adjustment Association.

Mr. Born's Career

Mr. Born began his insurance career in the underwriting department of the Hartford Fire in the west. He went with the American Eagle when that company opened its western department and later was appointed Tennessee state agent for the Henry Clay Fire. He joined the Western Underwriters Association in 1921. He is secretary of the Western Conference Special Risk Underwriters and is secretary and treasurer of the Farm Underwriters Association. He has given his attention chiefly to the underwriting service of the office.

After 15 years in fire insurance Mr. Rodgers spent eight years in publicity and public relations work before joining the W. U. A. He entered a local agency in Springfield, Ky., in 1911 and served as field man until 1920 when he was advanced to home office work in the western department of the Hartford Fire. He was a member of the managing committee of the Farm Underwriters Association for a number of years. He served it as chairman of the committee on advertising and fire prevention. He was one of the organizers and original chairman of the agricultural committee of the National Fire Waste Council. He started in advertising agency work in 1907, handling a number of insurance and other accounts for Gale & Pietsch and the Campbell-Ewald Company. He joined the W. U. A. in 1935 to develop public relations work. He has edited a series of stock company agency bulletins and other material which have been issued to more than 40,000 agents and field men in the central western states.

All three men are experienced and have the high regard of all with whom they come in contact.

Potter Extends Adjustment Work

D. S. Potter of Cambridge, Md., independent adjuster, is expanding his activities to take in all nine of the eastern shore counties in Maryland. Mr. Potter, a former associate of B. F. Veach & Co., insurance brokers at Cambridge, has been active in the claim field for the past seven years.

The 1936 fire loss in **Augusta, Ga.** was only \$25,000. The 1935 loss was \$123,000.

Consolidation of Boards Is Pending

Economics, Better Service Anticipated to Result from E. U. A. Proposal

MAY TAKE ACTION SOON

Boston Board Expected to Meet in Ten Days on Project to Pool Rating Facilities

NEW YORK, Jan. 20.—If the plan for consolidating all New England rating bureaus except that in New Hampshire, which has been under consideration by the Eastern Underwriters Association for two years, is ratified at a full meeting of the Boston Board to be held probably within ten days, there will remain but two self-governing bodies in E. U. A. territory, Baltimore and Washington, D. C. There is no present intention of interfering with either. The New Jersey field is controlled under a special state law with which companies have nothing to do save observe it.

Plans for Three Groups

The New England associations it is proposed to merge, arrangements for which have been worked out by a joint committee of company officials and local agents, include the New England Insurance Exchange, Boston Board and Providence Insurance Association.

Determination to combine separate rating organizations under its jurisdiction into a limited number of bodies was reached by the E. U. A. some years ago, since which time consolidations have been effected in New York and Pennsylvania, each of which previously supported four regional associations, whereas they now have one each. These mergers have effected material saving in expense to member companies, and have greater efficiency of operation.

Many Benefits Secured

Agents probably have been assisted in even greater degree than companies through absence of conflicting rules and forms, and in speedier responses to inquiries. Investigation disclosed that in each of the previous separate boards there were men performing service that could just as effectively be handled by junior clerks, allowing their superiors' time for more important work.

Through reassignment of duties the business as a whole has benefited, and the expense element has been substantially reduced.

Harrison Is Commissioner in Arkansas—Pass Trick Act

LITTLE ROCK, ARK., Jan. 20.—M. J. Harrison is now Arkansas insurance commissioner. To remove former Commissioner Gentry, who refused to resign until the expiration of his term in 1939, the legislature, at the request of Governor Bailey, passed a bill to abolish the department of insurance and to set up a new department with virtually no change except that the commissioner's term is shortened from six to four years. The bill carried the emergency clause and is effective immediately.

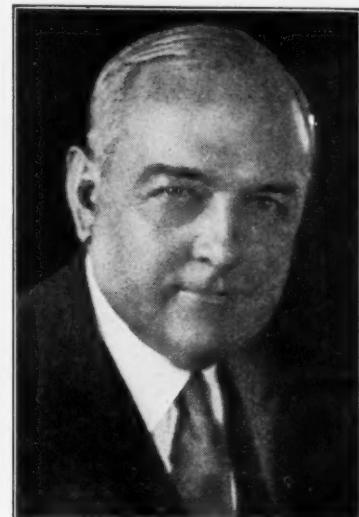
Commissioner Harrison served as deputy commissioner and commissioner, resigning in the latter part of 1924. He has been practicing law in Little Rock. Mr. Gentry practiced law at Hope, Ark., before he was appointed commissioner four years ago. Commissioner Harrison said that he does not contemplate any changes in the department personnel.

Monarch Fire's President Dies Suddenly on Sunday

RALPH RAWLINGS WELLKNOWN

Had Served the Western Insurance Bureau as Its President for a Number of Years

Ralph Rawlings, president of the Monarch Fire, died at the Lakeside Hospital, Cleveland, early Sunday morning. Mr. Rawlings made his headquarters in New York since last November



RALPH RAWLINGS

when the executive offices of the Monarch Fire were moved from Cleveland to the United States headquarters of the Pearl. Some 10 months ago Mr. Rawlings had a stroke and evidently his death was a recurrence of that jolt.

A severe heart attack which prompt administration of oxygen failed to overcome, was the immediate cause of Mr. Rawlings' death. Although he had been seriously ill some 10 months he had apparently so fully recovered as to permit his attending to the affairs of the Monarch Fire and of its associated enterprises. He left the New York City headquarters Jan. 6 to attend a meeting of its directors in Cleveland the following day. Instead he was forced to remain in his room at the Hollenden Hotel. Failing to respond to medical treatment, it was decided to remove him to the hospital.

Mr. Rawlings' Career

Mr. Rawlings was born April 12, 1871, at Urbana, O. He was educated at the University of Michigan. He entered the insurance business at Lansing in 1903 and the next year helped to organize the old Michigan Commercial, which he served first as executive special agent and later as vice-president. It was sold in 1918 to the Boston. The firm of Rawlings & Hewett, consisting of Mr. Rawlings and B. L. Hewett, was organized as western manager of the Boston and Old Colony. These companies had been represented by A. D. Baker & Co. and Mr. Rawlings was connected with that agency. He resigned from the managerial firm and became president of the Monarch Fire in September, 1929. He served as president of the Western Insurance Bureau from 1928 to 1935. Previously he had been vice-president. He was president of the Western Sprinkled Risk Association and chairman of the board of governors of the Western Reinsurance Bureau.

Mr. Rawlings became interested in automobile insurance in its infancy, the Boston being one of the first companies to write that form of indemnity. He was one of the organizers of the old Western Automobile Underwriters Conference. He served as its president and

Writ of Mandamus Holds Up Action in Reciprocal Suit

SUPREME COURT IN ACTION

Judge Bird Unable to Act in Rankin-Benedict, Manufacturing Lumbermen's Underwriters' Case

JEFFERSON CITY, MO., Jan. 20.—The Rankin-Benedict Underwriting Company of Kansas City has filed a petition for a writ of mandamus in the Missouri supreme court asking that Circuit Judge Bird of Kansas City be compelled to act upon an application for a change of venue requested in its fight to remain attorney-in-fact for the Manufacturing Lumbermen's Underwriters.

HALT KANSAS CITY HEARING

KANSAS CITY, Jan. 20.—Counsel for various interests in the case were in Judge Bird's division of the circuit court ready to argue V. B. Coates' motion to be substituted for Rankin-Benedict Underwriting Company as attorney in fact for MLU, on grounds he was elected by the advisory committee in St. Louis Nov. 30, when Judge Bird received a telegram from the supreme court saying that due to the filing of an application for a writ of mandamus, all proceedings in the case were stayed until the supreme court could act on the application. The application, filed by attorneys for Rankin-Benedict, John Madden and Daniel V. Howell, seeks to have the supreme court compel Judge Bird to pass on the change of venue motion filed by Rankin-Benedict Nov. 17 in connection with Superintendent O'Malley's petition for a temporary order restraining MLU and Rankin-Benedict.

Hold Up Proceedings

Not made returnable by the supreme court at any specified time, the application ties up all proceedings in the case, it is said, for 30, and possibly for 60 days. Judge Bird now will, in answer to the application, show cause why the change of venue was not acted upon, or why it should not be acted upon before Mr. Coates' motion is taken up. The matter will come up for argument before the supreme court. Mr. O'Malley continues as receiver in charge of MLU, but Judge Bird's court can issue no orders authorizing money payments or any other important matters until the new development is settled. In effect the action in the supreme court restores the stalemate which existed in the case when the change of venue motion originally was filed in November.

Details of Mandamus

After Mr. O'Malley filed his application for a receivership, the mandamus application sets out, Rankin-Benedict filed the venue motion, and soon after Mr. Coates asked to be substituted as attorney in fact. Judge Bird has refused, the application alleges, to grant the venue change or pass on the application for change, but instead, set a time to take up Mr. Coates' motion. Election of Mr. Coates as attorney in fact actually did not occur, the application charges, and even if it did, election of a substitute attorney in fact would be impossible.

(CONTINUED ON PAGE 28)

was a member of the National Automobile Underwriters Conference board of governors. He also was one of the organizers of the Underwriters Adjusting Company of Chicago and was one of its directors.

A son, Edward Rawlings, was formerly special agent of the Monarch Fire and later went into another line of business in Detroit. An adopted daughter, Margaret, now married, lives in Michigan. The funeral services were held in Cleveland Wednesday afternoon and the burial was at Mr. Rawlings' old home at Urbana.

Walker Case Won by North America

Directed Verdict for Company Insuring Rack House for Explosion Not Inherent

OTHERS START DEFENSE

Verdict on Famous Peoria Loss Will Not Come Probably Until Next Week

Testimony dragged on for another week in the case of Hiram Walker Distilleries against the companies interested in the rack house loss at Peoria on July 22, 1935. The plaintiff finished its presentation last Friday. The usual motions for a directed verdict were offered by the defense, and the North America won. The company with its \$1,000,000 riot and explosion policy just dropped out of the case. The motion for a directed verdict for the other companies was denied.

The motion for the North America was based on the fact that its policy covered explosion, except inherent explosion, and there was no evidence whatever to indicate that the explosion was anything but inherent. The Walker lawyers fought hard to delay the ruling until the close of all the evidence, defense and rebuttal. The plaintiffs had joined two inconsistent claims, one for fire or inherent explosion and one for explosion excluding inherent hazards. Hence they did not dare offer evidence too strongly leaning to either side.

Definition or Exception?

The directed verdict for the North America turned on a point often of vast importance in insurance cases. The policy covered riot and explosion, and then, in a reduced premium clause, excluded fire and inherent explosion. The plaintiffs argued that in effect the policy covered explosion generally, and followed by an exception, and that, plaintiffs having proved an explosion of some kind, the North America had the burden of proving what kind of an explosion it was, if it denied the coverage. The defense contended that the exclusion clause was part of the definition of the coverage under the policy, and not an exception to full explosion coverage.

U. S. Judge J. P. Barnes, who is trying the case, ruled that in his opinion the exclusion was part of the definition of the coverage, and that the burden was on the plaintiffs to show the explosion was from a cause that would come under the North America policy. He read from the plaintiffs' declaration in the case their own statement of claim, showing they had described the coverages as fire and inherent explosion in the I. U. B. and Western Factory policies, and all other explosion in the North America policy. As the plaintiffs had offered no evidence to prove the explosion, if any, was of the kind covered by the North America, the court directed the verdict in that company's favor.

The case is interesting, and possibly the first one on such large values, involving the joinder of parties under the new Illinois practice act. That act provides for the trying of all questions under a single cause of action in a single suit and permits the bringing in of all interested parties, whether they have any connection with each other or not. Thus the 11 I. U. B. companies on

(CONTINUED ON PAGE 12)

VIEWED FROM NEW YORK

By GEORGE A. WATSON

TO ABOLISH CHAIRMAN POST

Directors of all companies embraced in the America Fore group at their meeting Thursday of this week will unquestionably approve the recommendation decided upon at the special board session last Thursday, amending the charter and by-laws of each of the affiliated offices by abolishing the provision for a chairman of the board, a post held by Ernest Sturm for a num-

ber of years prior to his death Dec. 22. At the same time officers of the group companies will be elected for the new year. The confident prediction is that the entire present efficient staff will be rechosen.

BIG BLUE GOOSE TURNOUT

Attendance of 292 was recorded at the New York City Blue Goose, F. L. Gross, state agent Pearl Assurance, most

loyal gander, presiding. Leon Watson, expert of the Schedule Rating Office of New Jersey, welcomed honored guests, who included two most loyal grand grandsons, W. E. Mallalieu, general manager National Board, and S. A. Meharter, assistant secretary Home of New York. H. V. Kaltenborn, radio commentator, spoke on the civil war in Spain. Companies and organizations were well represented.

* * *

FIREMEN'S OPENS NEW BRANCH

The Firemen's of Newark has opened a new branch office at 128 William street, New York City, L. C. Lockwood being appointed local secretary in

charge. He will continue to manage the metropolitan office of the Firemen's group. He is well known in the fire insurance business there, the Lockwood agency having represented the Concordia for years before that company became a member of the Firemen's group, and for a number of years the agency has been closely affiliated with the Firemen's.

* * *

MUCH EXTRA WORK INVOLVED

Several of the large fire and casualty companies recently installed special departments for keeping track of money due the federal and various state governments under the new social security and unemployment insurance laws. The detail in connection with the work is enormous, requiring the employment of additional clerical help as well as the installation of card machines for recording salaries and percentage deductions due from their thousands of office and field employees. Where heretofore salaries were paid directly by territorial departments to their respective help, and special agents were allowed to send in drafts for their monthly salaries, all employees wherever located are now paid by check from the headquarters offices. The allocation of the expense to subsidiaries by organizations controlling company groups presents a problem, requiring careful attention on the part of accountants as well as interested public authorities. It is regarded as highly probable considerable correspondence will take place before a smooth working program is evolved.

* * *

SMITH IS CHIEF ACCOUNTANT

John F. Smith has been appointed chief accountant of the Northern Assurance and London & Scottish to succeed R. C. Angus, who was advanced to secretary early in 1936. Mr. Smith joined the Northern group 17 years ago, steadily advancing through various grades.

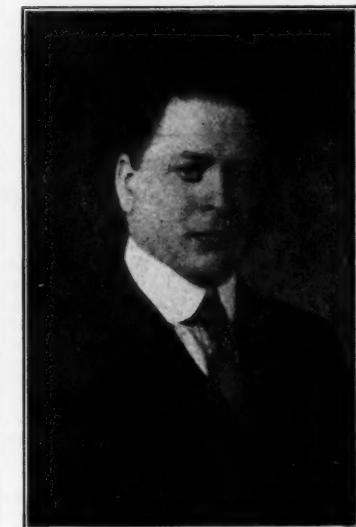
* * *

NEW YORK CITY RECORD

Fire losses in New York City last year aggregated \$7,723,630; a decrease of \$1,007,935 from the 1935 record, and the lowest in 21 years. Fire Commissioner McElligott stated the per capita fire loss last year was \$1.05, the lowest since 1910. The average fire loss in 1936 was \$279, as against \$314 the preceding year.

E. W. Stephens, formerly of the National Guardian Life agency department, has joined the Main Insurance Agency in Madison, Wis.

Is Reelected



A. J. SMITH

A. J. Smith of the New York City local agency of Zweig, Smith & Co. has been reelected president of the Association of Local Agents of the City of New York.

WHAT WILL 1937 BRING YOU



IN BUSINESS AND PROFITS?

Competition is keener.

Selling conditions are changing. While business—generally—is more active, its increased insurance requirements are likely to be arranged by those agents who are more aggressive in their selling methods.

And the agents who will have the best chance are those with companies that give them full cooperation!

* * *

Agents who represent either the Agricultural or the Empire State have such a company. Not only are we firm supporters of the American Agency System, but

our entire home office routine is planned to conserve your time . . . to give you every possible minute for more sales contacts. There is a minimum of correspondence and detailed reports . . . a maximum of service from field representatives and individual departments.

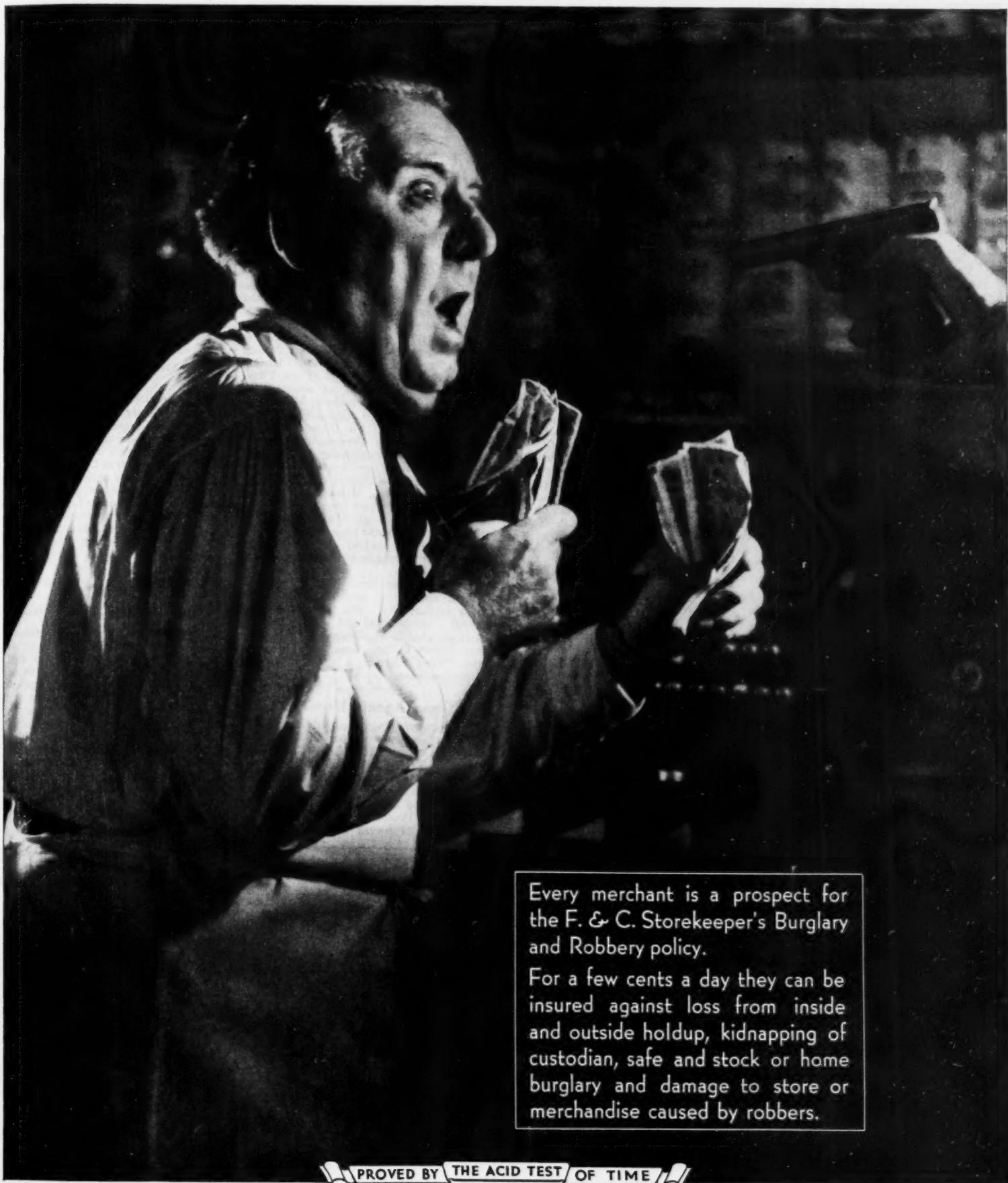
Beyond that, everything we do is aimed to hold our reputation for being "friendly folks." We are mighty proud that our agents call us that.

Can you use a good Agency company? We shall be glad to send a fieldman to tell you more about us.

Agricultural
Insurance Company.
of Waterbury, R.I.

Empire State
Insurance Company.
of Waterbury, R.I.

EVERY TYPE OF PROPERTY INSURANCE FOR INDUSTRY AND THE HOME



Every merchant is a prospect for the F. & C. Storekeeper's Burglary and Robbery policy.

For a few cents a day they can be insured against loss from inside and outside holdup, kidnapping of custodian, safe and stock or home burglary and damage to store or merchandise caused by robbers.

PROVED BY THE ACID TEST OF TIME

America Fore Insurance

THE CONTINENTAL INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane,

NEW YORK

CHICAGO

SAN FRANCISCO



and Indemnity Group

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY

BERNARD M. CULVER, President

New York, N.Y.

ATLANTA

DALLAS

MONTREAL

President Wilson of Agents Group in Conference Talk

DEPUTY ALSO GIVES TALK

South Jersey Field Club Informed of Success of State's Placement of Business Method

CAMDEN, N. J., Jan. 20.—Company officials, field men, agents and state officials of New Jersey and Pennsylvania, number 350, last night attended the annual banquet of the South Jersey Field Club.

They heard W. Owen Wilson, Richmond, Va., president National Association of Insurance Agents, declare companies and agents have entered the dawn of a new day in their relationships through sitting down together and talking things over; an era that "has only just begun." They heard him criticize the consumer co-operative movement, which he termed un-American and one threatening the traditional profit motive in business.

Withers Also Speaks

They listened to Commissioner Withers of New Jersey pay tribute to the local agents association of New Jersey for cooperation in making possible the successful operation of the association in dividing among its members the insurance on properties taken over by the state. The plan, he said, was bad politically but good economically. It was new and untried when C. Stanley Stults suggested it, but it has worked so successfully that similar plans are now in operation in Connecticut, Massachusetts and Ohio, and a plan almost word for word was more recently adopted by the mortgage commission of New York, he declared.

Mr. Withers said the plan started with a half million and now has two million. "And I still have to receive a single meritorious complaint."

Mayor George Bruner of Camden, in the welcoming address, said:

"The only thing that I know about insurance is that our records show that no insurance man is on the relief rolls of the city. When I am through as mayor, instead of going back to the plumbing business, I will ask your help in joining the insurance profession."

Deputy Commissioner C. A. Gough of New Jersey asserted that a greater spirit of cooperation existed between companies, agents and various branches of the business in New Jersey than in any other state and that the state was willing at all times to cooperate with them in anything that would improve the business or help the insuring public.

H. A. Faunce, president New Jersey Underwriters Association, paid tribute to the club for its work in building the proper kind of agents and in aiding his organization in increasing its membership.

Leon A. Watson, expert of the Schedule Rating Office of New Jersey, was toastmaster. The dinner committee, headed by J. E. Bentley, Hartford Fire, was praised.

Among guests at the head table were former U. S. Senator David Baird, Jr.,

POSITION WANTED

Wanted—experienced fire insurance field man 20 years continuously in central western territory building satisfactory profit, producing agencies and business. Wants field or home office connection. Experience includes executive work both in underwriting and production. Special Agent—**ADDRESS F-13, NATIONAL UNDERWRITER**

CHANGE DESIRED

Married man—28 years old, desires change which will offer better opportunity for advancement. Now employed in Chicago branch Company office. Eight years fire underwriting and brokerage experience. Knowledge of auto and life. Can locate anywhere if opportunity warrants, but Company or Agency connection desired. **ADDRESS F-16, NATIONAL UNDERWRITER**

New Commissioner for Tennessee Is Now Appointed

James M. McCormack, vice-president of C. R. Weir & Co., local agents at Memphis, has been appointed insurance commissioner of Tennessee to replace Joseph S. Tobin, whose home also is at Memphis. Mr. McCormack is a brother of Edward J. McCormack, who was general agent of the Minnesota Mutual Life at Memphis and later vice-president of the Columbian Mutual Life. E. J. McCormack is now special assistant to the director of the Bureau of Old Age Benefits in Washington, D. C.

McCormack's Experience

Mr. McCormack is 40 years old, a native of Nashville and has been in Memphis nearly all his life. He started with the Minnesota Mutual Life as an agent there and then became partner with E. J. McCormack and Levy Joy in the firm of Joy & McCormack. In 1930 he formed a partnership with C. R. Weir, establishing the C. R. Weir & Co. agency, which represents the Minnesota Mutual Life, Metropolitan Casualty, National Surety, Ohio Casualty, Firemen's, Buffalo and Pacific. He is president of the East Memphis Civic Club, Memphis district commissioner of the Amateurs Soft Ball Association and treasurer of the Good Fellows Club. In the insurance agency he has been manager of the surety department. Mr. Tobin retires from office with a most excellent record.

of New Jersey; W. J. Snediker, chief license division, N. J. department; Col. Frederick Hickman, Atlantic City, national councillor National Association Insurance Agents; Louis Wiederhold, Jr., executive manager Middle Department Rating Association, and A. V. Livingston, Englewood, secretary New Jersey Underwriters Association.

Hardy Spoke at Hartford

HARTFORD, CONN., Jan. 20.—The fire class of the Insurance Institute of Hartford heard E. R. Hardy of New York, secretary the Insurance Institute of America, speak on the "Historic Development of Rating in Fire Insurance."

Western Adjustment Sets Record

The Western Adjustment at its annual meeting reelected officers, after previously having voted to operate on a cost basis. The company in 1936 set a record in handling 200,122 losses at an average service cost of \$9.99, it was reported. It returned \$205,290 to stockholders and patrons.

The organization's average representation was 93.84 percent over all business handled and the largest number of losses previously adjusted was 153,418 in 1934. This is the first time the Western Adjustment has reduced its charges below the \$10 mark.

Increased Facilities

Occurring concurrently with the sudden increase in hail and wind losses was a substantial increase in automobile claims, which caused the company to set up an exclusive automobile service which should not be affected by fire or tornado business. The Western Adjustment recruited a force of specialists through its contacts in the automobile industry, the report stated. A sepa-

Fred J. Breen Honored by National Union Executives

TRIBUTES ARE PAID TO HIM

Has Served the National Union Fire as Secretary for the Last Ten Years

PITTSBURGH, Jan. 20.—In recognition of the 10th anniversary of his association with the National Union Fire, Secretary F. J. Breen was the luncheon guest of his fellow officers last Saturday. Attendance, in addition to the executives, included all divisional heads. After commanding most highly the services of Mr. Breen, President J. M. Thomas, on behalf of the head office staff and the field men, presented him a complete set of golf clubs and a leather bag. Other speakers voiced their appreciation of the worth of Secretary Breen's contribution to the upbuilding of the National Union.

Prior to joining the staff of the Pittsburgh company in 1927 as assistant to E. E. Cole, its then president, Mr. Breen was an assistant to General Manager W. E. Mallieu of the National Board for nearly 20 years. Among other duties in the latter connection he had charge of the loss cabinet used by the associated companies at the different conflagrations since that of Salem, Mass., in 1914, and in handling the loss records of the hurricane disaster at Miami 12 years later. His intelligent supervision of the important work evoked warm commendation from adjusters and company officials.

While in New York City he served most acceptably as wielder of the Blue Goose in that city. His keen mind and general knowledge of underwriting practices plus a readiness to help the other fellow at any time, combined to make "Fred" Breen a popular figure in the business.

Texas Agents Honored

Appropriately engraved silver medals have been presented to T. N. Bell, Crowell, Tex. and to W. B. LaMaster, Perryton, Tex., commemorating their completion of 25 years' continuous representation of the Home of New York.

Presentation together with a personal letter from President W. Kurth, was made by Special Agent E. M. Holt.

Report Examination Raids by the Louisiana Department

MUCH SOLICITUDE IS FELT

Maryland Commission Threatens to Retaliate Unless the Dogs of War Are Called Off

Considerable controversy has arisen between the Louisiana insurance department and Commissioner Hanna of Maryland. For some time there have been very strong protests against the Louisiana department sending out examiners to probe companies independent entirely of the home state or the examinations committee of the National Association of Insurance Commissioners. In Louisiana the secretary of state is ex-officio insurance commissioner. The assistant secretary of state seems to be in immediate charge of the insurance department.

Chief Examiner's Position

The chief examiner is a public accountant who has his own private practice and battery of talent. This chief examiner has been sent out to do the needful. The Louisiana department does not cooperate with the National Association of Insurance Commissioners and no one in authority attends the meetings. Therefore, the commissioners seemingly have no influence over Louisiana. Complaint has been made from time to time about this situation. Over a year ago a committee of southern commissioners was named to visit Louisiana and endeavor to bring about a change of heart and practice. Nothing has been accomplished.

Examiners Appear at Baltimore

Recently a number of examiners appeared at the head office of the Maryland Casualty and the company did not see the necessity of having an examination or paying for so many people to do the work. Commissioner Hanna at once notified the Louisiana department that if it pursued the course it was following in his state he would immediately dispatch a large corps of examiners to the head office of the Pan-American Life and the Lafayette Fire, both of New Orleans. These companies are admitted to Maryland. So far there have been no developments.

Old Timers Are Recognized

Ohio Blue Goose to Hold Its Thirtieth Anniversary Celebration at Cincinnati, Feb. 9

Special recognition will be given "old timers" with 25 or more years of membership in the Blue Goose at the Ohio pond's 30th anniversary celebration in Cincinnati Feb. 9th at the Hotel Gibson, E. A. Reid, London Assurance, being chairman of a committee for that purpose. W. A. Sawyer, Fireman's Fund, is in charge of arrangements for charter members and D. C. Morgan, State of Pennsylvania, in charge of the memorial committee. The stag dinner will get under way promptly at 7 o'clock, being preceded by an initiation at 4 o'clock. Tickets are \$2.50 per plate and reservations may be made with B. F. Flood, Wielder, Hartman Bldg., Columbus. Invitations are specially extended to members in neighboring states: Kentucky, Indiana, and West Virginia. Something different in the way of entertainment is promised by G. H. Allen, Royal L. & L. & H., chairman of Cincinnati arrangements. More than 150 are expected and members planning to attend are urged to make reservations early.

J. G. Leigh, Little Rock general agent, has been elected president of the Little Rock Country Club. He succeeds J. R. Hampton of the J. R. Hampton & Co. agency.

Total insurance	Loss to insurance	No. of losses adjusted	Average service charge per loss
\$7,021,954,905	\$74,342,943	122,252	\$14.41
6,403,881,819	61,246,566	126,334	13.10
6,481,939,033	53,511,798	137,853	12.07
4,360,244,856	44,632,999	148,208	10.40
5,808,394,851	48,391,730	153,418	10.13
4,720,757,247	33,711,744	137,516	10.46
7,571,659,196	45,251,799	200,122	9.99

True a century ago- true today:-

There is hardly anything in the world
that some man cannot make a little
worse and sell a little cheaper and
the people who consider price only
are this man's lawful prey.

John Ruskin

THE HOME INSURANCE COMPANY NEW YORK

Strength

»»

Reputation

»»

Service

AS SEEN FROM CHICAGO

DEATH OF WILLIAM P. CRANE

William P. Crane, 76, long a familiar figure in Chicago local circles, died at the St. Francis Hospital, Evanston, Ill., last week from an acute heart attack. A few years ago he was struck by a street car near the Insurance Exchange in Chicago and never fully recovered. In recent years he was attached to the John Naghten & Co. office. For many years he was with A. H. Darrow & Co. and the Agricultural. Before going into insurance, he was cashier of the Wabash Railroad. Mrs. Crane and a son, W. P. Jr., an architect in the government service at Washington, D. C., survive.

* * *

W. U. A. ANNUAL MEETING

The governing committee of the Western Underwriters Association voted to hold the annual meeting at White Sulphur Springs, W. Va., April 20-21. The St. Louis situation came before the committee and there was considerable discussion. The St. Louis local committee which is working out the reorganization of St. Louis Board has not yet completed its work. Attending from the east were F. W. Koeckert, Commercial Union; R. D. Safford, Travelers Fire; C. E. Case, North British & Mercantile, and H. T. Cartlidge, Royal-L. & L. & G.

* * *

HAS FIELD CONFERENCE

The western department of the Providence Washington and Anchor Fire held its field roundup during the week. Vice-president Fred B. Luce was in from the home office and outlined the results of last year and spoke of the plans for 1937. The conference was in charge of Manager John R. Cashel.

* * *

TWO QUALIFIED WITH LLOYDS

Miles & Miles and Kurt Hitke & Co., of Chicago have qualified with London Lloyds as representatives in Illinois, each depositing \$5,000 securities under the new requirement of the underwriters. Eugene Polhamius has become associated with Hitke & Co. to handle the London Lloyds underwriting for that firm. He has for some time operated Eugene Polhamius & Co., which he is

moving into quarters associated with Hitke & Co. Miles & Miles is one of the older representatives of London Lloyds, having had direct contracts since 1920 with the C. E. Heath & Co. group.

* * *

LOUIS KROC DIES

Louis Kroc, 57, operating superintendent of the Illinois District Telegraph Company, subsidiary of the American District Telegraph Company, died from a cerebral hemorrhage. He had been with the organization for 40 years.

* * *

WILL CONSIDER ILLINOIS CODE

The Chicago Association of Commerce has appointed a special committee to consider the proposed Illinois insurance code prepared by the Illinois Bar Association and approved by Insurance Director Palmer. The insurance committee of the association of commerce is asked to review the code very carefully and submit recommendations as to what its position should be. The committee consists of Lew H. Webb, Conkling, Price & Webb, chairman casualty section; John C. Hardin, executive vice-president western department Springfield F. & M., chairman fire section; E. D. Lawson, western manager marine department Fireman's Fund, chairman marine section, and Norris H. Bokum, Bokum & Dingle, general agents Massachusetts Mutual Life, chairman life section.

* * *

REELECT ALL OFFICERS

The Underwriters Adjusting reelected all of its officers at the annual meeting. They are: T. A. Pettigrew, president; W. D. Williamson and H. A. Clark, vice-presidents, and Benjamin Auerbach, treasurer.

* * *

I. S. Frigon, examiner Aetna Fire, Chicago, is spending a week with the Louisville field office, which is headed by E. S. Knoop, state agent.

Honor Williams in Boston

BOSTON, Jan. 20.—George A. Williams, recently retired by the Liverpool & London & Globe, was given a testimonial dinner by about 50 insurance friends in Boston and vicinity, in recognition of his 44 years of service. Kenneth H. Erskine, manager of the Boston office of the company, presided as toastmaster and C. C. Gilman presented a wrist watch as a gift of the friends. Mr. Williams will continue as an adjuster.

FIREMEN'S GROUP BACKS MOVEMENT

Each of the seven fire companies embraced in the Firemen's of Newark group is now supporting the Business Development Office, President J. R. Cooney notified their 25,000 local representatives throughout the country. This added cooperation will strengthen the efforts of the stock fire companies to develop business through improved salesmanship.

May Consider Term Plan

NEW YORK, Jan. 20.—The question of writing the personal property floater on a term basis may come up for discussion at the monthly meeting of the executive committee of the inland Marine Underwriters Association Thursday.

D. of C. MARINE RULING

Following considerable discussion, Commissioner Moor of the District of Columbia has advised the joint committee on interpretation and complaint that companies in his territory writing the coverage involved will continue to be governed by the original interpretation of the nationwide definition for an indefinite period.

Moves to Chicago



B. E. MOREAU

B. E. Moreau, who has been general adjuster at the head office of the St. Paul Fire & Marine, has taken his new post as manager of the Chicago department of the St. Paul F. & M. group. He has his headquarters in 1864 Insurance Exchange. Mr. Moreau is a well known authority on losses and is president of the Western Loss Association.

Dauwalter Addresses Agents of Chicago; to Push Drive

F. S. Dauwalter, head of the Business Development Office, addressed members of the Chicago Insurance Agents Association at a luncheon meeting, which formed part of the opening of the drive to apply the office's plan for combating mutual and reciprocal competition in Cook county. The campaign has already started in downstate Illinois.

Committees will probably be appointed soon by the Chicago Board, the insurance agents' organization, and a permanent committee by the Cook County Field Club, besides one by the Insurance Brokers Association, to work out a definite program. So far little action has been taken, the various groups having been occupied in learning the program and surveying the field. Mr. Dauwalter is traveling throughout the middle west to spread the project. He is visiting Louisville, Indianapolis, Minneapolis and Cleveland, after which he will return to Chicago for a meeting of field men and other interested parties from downstate Saturday. He will then go to the New York office.

Sketches Situation

In his talk to the Chicago agents, he sketched briefly the situation between the stock carriers vs. the mutuals and reciprocals, and outlined the best means of combating this. He said that while demand for an analytic approach by the agents, involving a thorough check on the prospect's present coverage, is increasingly manifested consciously or sub-consciously in the mind of the public, buyers are still ignorant of the company insuring their property. This is taken for granted, sometimes even by the agents.

The speaker said that in fighting mutual and reciprocal competition on the merits of the stock companies, the true measure of the risk, the relation of the rate to the premium volume, must be used. It must be made clear to the assured, he said, that a large policyholders' surplus may consist chiefly of assets that are not liquid enough and that a lower rate may mean a much lower quality of insurance. The Business Development Office will provide agents with detailed data on this point in order to offset the talking points by the mutuals of a lower rate and of their dividends.

Funds Are Tied Up

Where the assured who is covered by a mutual pays a large deposit premium, the stock agent should point out that, while the lower rate may not provide the insurance safety desired, in addition the assured's funds are tied up in this investment, which may yield a high return but may not offer the safety that other might. After the address Mr. Dauwalter said a stock company agent could suggest to his client, that, if the client is having difficulty in finding a medium that is safe and will yield a fairly good return, he might put some of his money into the stock of a good insurance company.

The stock agent also should stress the federal tax on operating income from mutuals, he said. He touched briefly on reciprocal competition, saying stock company agents should dwell mainly on the high potential liability and the fact that there is no corporate liability, since an inter-insurance exchange does not bind the organization as a whole to pay the loss.

President H. E. Reeves urged cooperation by the agents with the other organizations to push the plan.

Shape Plans for "Insurance Day"

Plans are being completed rapidly for the 11th annual "Insurance Day," sponsored by the Insurance Club of Pittsburgh, to be held Feb. 15. The program will open with a luncheon at noon and will close with a dinner dance, to start at 6:30.

Afternoon sessions will be devoted to

President Redmond, Other Brokers' Heads Reelected



R. M. REDMOND

R. M. Redmond was reelected president of the Insurance Brokers Association at the annual directors meeting, and other officers also were reelected. Joseph J. Monahan, manager of Johnson & Higgins was named vice-president by the brokers. Other vice-presidents are Gail Reed, C. A. Berger, J. A. Mudd, Jr., and A. J. Gallagher; J. C. Shepherd is treasurer; and Angus Chasells secretary. The board discussed plans of action in connection with the new city ordinance imposing a license fee of \$25 a year on all insurance brokers.

round table discussions which will be sponsored by local clubs of Pittsburgh. Nationally known speakers will be secured for the luncheon and dinner. A number of company executives will be present.

The sessions will be held at the William Penn Hotel.

Preston in New England Drive

The National Association of Insurance Agents has appointed Harvey R. Preston, head of the Springfield, Mass., agency of Goldthwaite, Preston & Olmstead, to take charge of a membership drive for the six New England states. He has served as president of the Springfield Board.

The Farmers Alliance of McPherson, Kan., has been licensed in Iowa.

Philadelphia Given Fire Relics by North America

One of the finest collections of early American fire relics in the country was presented to the city of Philadelphia by the North America for use as a permanent exhibit in the old City Hall in historic Independence Square.

President Benjamin Rush made the presentation at exercises held in the old courtroom on the first floor of the building. Mayor Wilson received the collection for the city. The fire department had two old-time fire engines as well as a piece of modern equipment on display.

The fire relics making up the exhibit are indelibly linked with the history of Philadelphia. In the collection are work hats and a belt worn by members of the Union Fire Company, the first organized group of volunteer firemen in North America and organized by Benjamin Franklin in Philadelphia on Dec. 7, 1736.

The North America was organized in Independence Hall in 1792, being the only commercial organization to be started in the historic building.

**SEVENTY-SECOND ANNUAL STATEMENT
AS MADE TO DIRECTORS AND STOCKHOLDERS — DECEMBER 31, 1936**

ST. PAUL FIRE AND MARINE INSURANCE COMPANY
ST. PAUL, MINNESOTA

ASSETS

Bonds (at Market Value Dec. 31st).....	\$22,032,576.65
Stocks (at Market Value Dec. 31st).....	10,252,324.51
Home Office and Other Real Estate.....	1,149,827.95
Mortgage Loans	1,744,439.98
Cash and Bank Deposits.....	1,952,954.06
Agents' Balances, not over 90 days.....	1,793,977.15
Due from Re-insurance Co.'s. Notes, etc.	254,014.80
Accrued Interest	217,899.88
	\$39,398,014.98

LIABILITIES

Reserve for Unearned Premiums.....	\$ 8,647,086.46
Reserve for Unadjusted Losses.....	1,608,299.80
Reserve for Taxes.....	587,533.47
Reserve for Contingent Comms., etc.	98,000.00
Reserve for Adjustment Expense.....	80,000.00
Reserve for Depreciation.....	1,257,940.58
Funds held Under Re-insurance Treaties.....	249,540.70
Conflagration Reserve	450,000.00
Capital Stock	\$ 4,000,000.00
Surplus	22,419,613.97
Total Policyholders Surplus.....	26,419,613.97
	\$39,398,014.98

The investments owned by the Company (not including stock in subsidiary companies) increased in market value during 1936 in the sum of \$1,257,940.58. No credit is taken in this statement for any of this increase, the entire amount is set up as a special reserve.

The stock in subsidiary companies is carried into this statement at its book value after setting up a reserve for the increase in security values of the respective companies.

Underwriting and Investment Statement

Underwriting—Net Profit	\$1,608,310.90
Interest Received	1,450,969.62
Appreciation in Market Values.....	1,257,940.58
(Not including subsidiary Co's.)	
Underwriting and Interest of Subsidiary Companies—Net	814,124.56
(After Dividends and Income Taxes)	
	\$5,131,345.66

Reserve for Income Tax.....	\$ 310,000.00
Dividends Paid	1,200,000.00
Added to Conflagration Reserve	75,000.00
Reserve for Depreciation.....	1,257,940.58
Increase in Surplus.....	2,288,405.08
	\$5,131,345.66

The underwriting experience is satisfactory for the eleventh successive year.

**TWELFTH ANNUAL STATEMENT
AS MADE TO DIRECTORS AND STOCKHOLDERS — DECEMBER 31, 1936**

MERCURY INSURANCE COMPANY
ST. PAUL, MINNESOTA

ASSETS

Bonds (at Market Value Dec. 31st).....	\$4,720,778.81
Stocks (at Market Value Dec. 31st).....	40,675.00
Real Estate (at Market Value Dec. 31st).....	3,000.00
Mortgage Loans	292,400.00
Cash and Bank Deposits.....	352,602.34
Agents' Balances, not over 90 days.....	254,491.55
Due from Re-insurance Co.'s. Notes, etc.	22,042.95
Accrued Interest	44,579.63
	\$5,730,570.28

LIABILITIES

Reserve for Unearned Premiums.....	\$1,707,020.23
Reserve for Losses	152,467.09
Reserve for Loss Adjustment Expense	12,500.00
Reserve for Taxes.....	78,382.78
Reserve for Contingent Commissions, etc.	17,500.00
Reserve for Depreciation	163,769.63
Funds held under Re-insurance Treaties	7,123.82
Capital Stock	\$1,000,000.00
Surplus	2,591,806.73
	3,591,806.73
	\$5,730,570.28

The investments owned by the Company increased in market value during 1936 in the sum of \$163,769.63. No credit is taken in this statement for any of this increase. The entire amount is set up as a special reserve.

The Capital and Surplus, \$3,591,806.73 is so large in relation to the amount at risk that a Mercury policy is practically impregnable.

Underwriting and Investment Statement

Underwriting—Net Profit	\$193,106.69
Interest on Investments.....	235,585.02
Appreciation in Market Values.....	163,769.63
	\$592,461.34

Dividend Paid	\$180,000.00
Reserve for Income Tax	38,000.00
Reserve for Depreciation	163,769.63
Increase in Surplus	210,691.71
	\$592,461.34

ELEVENTH ANNUAL STATEMENT

AS MADE TO DIRECTORS AND STOCKHOLDERS — DECEMBER 31, 1936

SAINT PAUL-MERCURY INDEMNITY COMPANY of SAINT PAUL
ST. PAUL, MINNESOTA

ASSETS

Bonds (at Market Value Dec. 31st).....	\$5,901,334.78
Stocks (at Market Value Dec. 31st).....	55,875.00
Cash and Bank Deposits.....	422,420.86
Agents' Balances, not over 90 days.....	682,647.45
Due from Re-insurance Companies.....	28,697.96
Accrued Interest	50,492.93
	\$7,141,468.98

LIABILITIES

Reserve for Unearned Premiums.....	\$2,114,275.71
Reserves for losses in process of adjustment and for adjusting expenses	1,442,821.55
Reserve for Unknown and Unreported Losses	157,500.00
Reserve for Taxes.....	200,657.95
Reserve for Depreciation	157,078.43
Reserve for Contingent Comms., etc.	25,266.96
Capital Stock	\$1,000,000.00
Surplus	2,043,868.38
	3,043,868.38
	\$7,141,468.98

The investments owned by the Company increased in market value during 1936 in the sum of \$157,078.43. No credit is taken in this statement for any of this increase. The entire amount is set up as a special reserve.

Underwriting and Investment Statement

Underwriting—Net Profit	\$507,989.61
Interest on Investments.....	224,013.53
Appreciation in Market Values.....	157,078.43
	\$889,081.57

Dividend Paid	\$ 50,000.00
Reserve for Income Tax	78,000.00
Reserve for Depreciation	157,078.43
Increase in Surplus	604,003.14
	\$889,081.57

The published statements will differ considerably because of Insurance Department requirements as to security values and unadmitted reinsurance.

Fire, Tornado, Automobile Insurance

**THE LONDON & LANCASHIRE
INSURANCE COMPANY, LTD.**

ORIENT INSURANCE COMPANY

**LAW UNION & ROCK
INSURANCE COMPANY, LTD.**

**SAFEGUARD
INSURANCE COMPANY**

**ENGLISH AMERICAN
UNDERWRITERS AGENCY**

**STANDARD MARINE
INSURANCE COMPANY, LTD. (Fire Dept.)**

**GILBERT KINGAN, Manager
Eastern Department
20 Trinity St.
Hartford, Connecticut**

**W. W. GILMORE, Manager
Pacific Department
332 Pine St.
San Francisco, Cal.**

**C. CLAUSSEN, Manager
Western Department
223 W. Jackson Blvd.
Chicago, Illinois**

For Over Fifty Years Good Friends of Local Agents

1794 1936

**THE INSURANCE COMPANY
OF THE
STATE OF PENNSYLVANIA
PHILADELPHIA, PA.**

ANNUAL STATEMENT December 31, 1935

Reserve for Unearned Premiums.....	\$1,809,635.22
Reserve for Losses Under Adjustment..	149,175.40
Reserve for Taxes and all other Claims..	134,629.82
Contingency Reserve	100,000.00
CASH CAPITAL	1,000,000.00
NET SURPLUS	1,424,295.41

TOTAL ASSETS **\$4,617,735.85**
SURPLUS TO POLICYHOLDERS \$2,424,295.41

**Acquire
THE OLD "STATE OF PENN"**

Walker Case Won by North America

(CONTINUED FROM PAGE 5)

contents would ordinarily have to be sued separately, and the National, which issued the Western Factory binder on building, would also be sued separately, even though they all covered the same hazard. Under the practice act, the North America could also be joined, although the claim against it was diametrically opposed to the claim against the other companies.

The outcome suggests a disadvantage to the plaintiff in such mixed joinders, as he seems obliged to "pull his punch" against all classes of defendants, for fear of disproving his claim against one of them.

Point on Joining Companies

However, under the same practice act, any defendant can bring in any other party, so that the choice of joinders does not rest entirely with the plaintiff. The case will undoubtedly form a precedent for similar tangles in the future.

The defense lost the motion for a directed verdict against the other defendants, the I. U. B. and Western Factory. The allegation on this motion was that the evidence of the plaintiffs left it an open question whether the building had fallen as a result of fire or inherent explosion, or whether the fall had preceded the fire or explosion. This motion was based on the evidence of one of the plaintiffs' own witnesses, who said he saw the west wall fall out before there was any fire. The argument was that the plaintiff must definitely show that the loss occurred from a cause covered by the policy, and when his own witnesses left it an open question whether the loss occurred from a cause covered by the policies, or not, the defense was entitled to a verdict. The ruling of the court was that there was substantial evidence of an inherent explosion, and he could not take the question away from the jury.

Defense Begins Evidence

Except for identification of photographs, the defense did not begin its testimony until Monday morning. As well as can be judged, it will finish about Friday. The plaintiffs will then want a day or two for rebuttal, which would bring the arguments of counsel to about Wednesday of next week. Submission to the jury and the verdict will follow.

The defense, by its own evidence, and by cross-examination of witnesses, brought out testimony that might support its contention that the building began to fall by noon or during the afternoon of July 22, many hours before the big "occurrence." The defendants object to the word "explosion," while the plaintiffs are equally rabid against the word "collapse." About all either side will let anyone say, without objection, is that something happened.

What Is a "Fall"?

If the defense contends that the "fall" began during the daytime, and that the insurance ceased during the daytime, the court will have to rule what constitutes a fall. In former cases courts have ruled that if a building begins to lean and then comes to rest, it is not a fall so as to terminate the insurance. The defense in this case seems to be shaping toward a possible theory that the fall was continuous and progressive and extended through several hours.

If the court rules against an interpretation that a fall that would terminate the insurance began during the afternoon, the question apparently will turn on the jury's view of the immediate cause of the building coming down. The plaintiffs have introduced many witnesses who used the word explosion, while the defense, besides its cumulative testimony to the dangerous condition existing before there was any fire, has

witnesses who assert that the west wall fell out before there was any fire. Even this will put a close question up to the court. Some of the policies are on the Illinois form, which terminates the insurance if "any part" of a building falls. Others are on the New York form, which terminates the insurance if "any substantial part" falls. The court may have to lay down rules on the effect of this difference.

Contest on Binder

In regard to the building insurance under the Western Factory binder, in the National of Hartford, the plaintiffs contend the whole contract is in the binder itself, while the companies claim the contract is in the policy and form that were intended to be used. The vital point is that the binder does not have the fallen building clause.

The defense offered to prove, and the defense conceded, that the binder was dated July 12, 1936; that on July 16 H. L. Grider, assistant manager of the Western Factory, prepared a form to be used on the National policy, that proof of the form was sent to Johnson & Higgins, brokers in the case, before the loss and returned by them with slight changes after the loss; that the binder covered warehouses 1 and 2, as well as 3, the latter being the one destroyed, and that the form was actually used in a Newark Fire policy on Nos. 1 and 2, for the amounts stated in the binder, no policy being issued on warehouse No. 3 because of a conclusion to leave the matter in statu quo.

The question whether the binder or the policy terms govern was taken under advisement by the court.

Claim Posts Buckled

The 80,000 barrels of whisky in the warehouse were supported on racks, the rack structure consisting of posts placed vertically upon one another, with oak tie-plates maintaining the alignment where the posts came together. It is the defense theory that the posts began to buckle or "jackknife" at the third floor level and that about half of the north side of the warehouse began to press its weight against the west wall at the third floor level, finally pushing it out. It explains the quick fire, which seems to be acknowledged as due to sparks arising from the fall igniting the alcohol from broken barrels, or the alcohol fumes in the building. The west wall was being shored up with timbers bracing the wall at the third floor level. The men placing the timbers were warned to run, but one man on a ladder could not get down in time and lost his life.

Difference in the Evidence

Generally speaking, the plaintiffs' witnesses had no view of the west wall, and merely saw what most of them called an explosion. They heard a roar, which they called the noise of the explosion, and which the defense claims was the roar of the falling racks and barrels.

The difference in the evidence is illustrated by the testimony of the crew of a Burlington freight train which was getting ready to pull out for Galesburg from the tracks alongside the Walker distillery. The fireman, engineer, conductor and rear brakeman testified for the defense. He testified that the train was broken for the Edmund street crossing, and that he was standing in the middle of the crossing, on the bluff side of the train, and facing toward the train, and also toward the west end of warehouse No. 3. He saw

(CONTINUED ON PAGE 28)

Is Reelected**C. J. MONTGOMERY**

C. J. Montgomery has been reelected president of the Rock Island Fire & Casualty Board. He served as president in 1932 and was elected again last year. W. C. Maucker was reelected vice-president and Miss Helen M. Stombs was reelected secretary and treasurer. Executive board members are F. J. Budelier, R. C. Mitchell, R. R. Walker, Mrs. E. B. Kreis and E. H. Manhard. The board approved the Illinois drivers license bill.

Comment on St. Louis Situation

F. E. Maginity, one of the directors of the St. Louis Insurance Brokers Association, says:

"There appears to be current an impression that the proposed changes in the by-laws of the Fire Underwriters Association of St. Louis is virtually a fait accompli and that the adoption of the amendments is merely a matter of routine. That is not the case. Not only the brokers, but all the casualty branch offices together with their fire affiliates, are opposed to many of the proposed amendments."

"It is now our understanding that the amendments will not be voted upon at the annual meeting of the Fire Underwriters Association of St. Louis on Jan. 19, due no doubt to the storm of opposition which was aroused when the details of the plan became generally known throughout the St. Louis fraternity."

No action was taken on the proposed changes by the Underwriters Association at its meeting this week.

Yates on Mexican Trip

Vice-president Harry A. Yates of the National Union Fire of Pittsburgh left

Novel Type of Coverage Being Sold at Hartford

HARTFORD, Jan. 20.—A novel type of insurance is being pushed by one of the local department stores which maintains quite a ski shop, and also has the equipment concession on the ski trains originating in Hartford.

This policy is issued by the North British & Mercantile and is obtainable through a New York brokerage firm. For \$1 skis are replaced when lost or breakage occurs due to the following hazards—breakage, fire, theft, and hazards in transportation, anywhere in continental United States and Canada while outside the insured's permanent residence.

a few days ago on a winter vacation and he will spend it touring Mexico, visiting a number of interesting points.

Christiana General Change

After 40 years connection with the Christiana General, K. B. Lindholm has retired as its foreign manager, being succeeded by P. M. Hansson. The company operates in this country for reinsurance, J. W. Wennstrom being its United States manager.

Kite Heads Insurance Society

PHILADELPHIA, Jan. 20.—W. Stanley Kite, manager Hartford Acci-

dent, has been elected president of the Insurance Society of Philadelphia, the oldest organization of its kind in the United States.

Other officers elected are: Elmer Van Dusen, assistant secretary, State of Pennsylvania, vice-president; John W. Donahue, resident vice-president Maryland Casualty, vice-president; J. R. Knowlan, Knowlan, Thorpe & Co., secretary, and J. A. McGann, Jr., Provost & Herring, treasurer.

Retiring President John Glendenning, secretary Franklin Fire, was elected to the executive committee. Reelected to the executive committee were William Ands, P. M. Fell, J. P. Frazier, J. V.

Williams, G. S. Krumdick, K. C. Trotter and J. S. Trump.

Lawson Talks to Loss Men

E. D. Lawson, western marine manager of the Fireman's Fund, spoke this week before the Western Loss Association at Chicago giving some informative material on inland marine loss adjustments. He stated that with new forms and coverages coming out frequently the work of the adjuster is considerably increased and made more difficult.

The Capitol Agency, Columbus, O., has been incorporated by R. B. Sherman, O. P. Stacey and L. D. Gardner.



(c) G. A. DOUGLAS FROM GENDREAU, N. Y.

As the New Year Begins

Now is a good time to take stock of what you and we are doing to fulfil our joint responsibility: to supply reliable insurance properly applied to the hazards of American family and business life.

Are you concerning yourself with all the insurable property and liability hazards of your clients? Are you doing your share in fire and accident prevention? Are you selling accounts, not policies; getting clients who trust your judgment, not casual customers who just buy some insurance? Are you building your agency on a permanent basis by winning the good will and confidence of an ever increasing circle of clients and prospects among the important people in your community?

As the New Year begins we freely re-dedicate ourselves to long recognized obligations. Fundamentally we are selling security and stability. Adequate reserves, careful investment, and conservative underwriting are our primary responsibilities. Our progress has been through the American Agency System so we once more pledge ourselves to this most practical, most economical, and fairest method for the distribution of insurance. For those agents who have and will contribute their efforts and ability to our greater success, we resolve to continue and enlarge the practical sales promotion and technical services that have earned for us our position in the American system of underwriting.

The
LONDON ASSURANCE

The
MANHATTAN
Fire and Marine Insurance Company

The
UNION FIRE
Accident and General Insurance Company

Ninety-Nine John Street, New York

NEWS OF FIELD MEN

Harrigan Is Illinois Head

Named by Blue Goose-Field Club and Business Development Zone Meetings Also Held

D. J. Harrigan, state agent St. Paul Fire & Marine, was elected most loyal gander of the Illinois Blue Goose at the meeting held last week in Bloomington in conjunction with that of the Illinois Fire Underwriters Association, the Business Development Office meeting of Zone 9, and the Illinois Field Club.

Mr. Harrigan succeeds L. W. Brown, Firemen's of Newark. He and A. R. Miller, America Fore, were awarded pins for their services as most loyal ganders. John Chickering, a gander superintendent of the Sun, was elected supervisor and will be in line for most loyal gander next year. Other officers elected are: O. S. Peterson, Home of New York, custodian; James E. Guy, America Fore, guardian; A. J. Meyer, Automobile, keeper, and P. J. V. McKian, wielder. The last two officers were reelected, while all the others were moved up one notch, Mr. Guy coming in as a new member of the official staff.

The pond elected Mr. Meyer delegate to the grand nest convention next Aug. 14 in Vancouver, B. C. C. B. Temme, southern Illinois state agent St. Paul, was named alternate.

Forty members attended the affair.

Good Zone Attendance

In spite of the bad weather, a large number of agents and field men attended the Business Development Office meeting of Zone 9, the first of its kind in Illinois, held in conjunction. Wallace Rodgers of the Western Underwriters Association was the featured speaker. Many agents participated in the discussions.

Talks were also made by General Chairman F. W. Sundlof, Hartford Fire, Guy W. Ireland, zone committeeman, D. M. Vance, John McHale, J. Lewis Cassell and Henry O'Loughlin, all field men. Glenn Mendenhall of Peoria presided.

The Illinois Field Club at its regular quarterly meeting, which was presided over by President James T. Coen, took up routine matters and committee reports. A feature was entertainment by the Illinois Wesleyan Trio, composed of two daughters of Mr. Coen and a daughter of Chad Roberts, prominent southern Illinois agent.

L. J. Effler, America Fore, Springfield, was elected member of the Illinois Fire Underwriters Association. S. A. Tobin, Aetna, who has been transferred to Ohio, resigned.

Hartford Selects Special Agents in Illinois Area

Two new appointments in central and southern Illinois have been announced by the Hartford Fire. They follow a number of other changes in the field recently announced.

W. E. Bayley, who has been special agent at Peoria, goes to Springfield, where he will have charge of south central Illinois, with headquarters in the Ridgely Farmers building. He has been in the field for several years and before that was in the underwriting department of the Hartford's Chicago office.

J. E. Roddy, who has been in the Chicago underwriting department for several years, goes into the field for the first time as special agent for southern Illinois with headquarters at 3101 West Main street, Belleville. He will represent the Citizens as well as the Hartford. He succeeds A. J. Sicher, who has been shifted to the northwestern territory.

London & Lancashire Shifts

New Vermont and Kentucky-Tennessee Special Agents Appointed; New England Area Revamped

The London & Lancashire and affiliated companies, as a result of alterations in territories heretofore supervised by Special Agent R. W. Kelsey and State Agent C. A. Tillotson in New England, have named Wilfred E. Bell, who for several years previously has been engaged in special work at the home office and field, special agent for Vermont. He succeeds Mr. Kelsey, and in conjunction will assume supervision over western Massachusetts which has been relinquished by Mr. Tillotson.

Mr. Bell will make his headquarters at 44 Vernon street, Springfield.

George G. Gibson, Jr. of Louisville, who has had a number of years' rating and field experience, has been appointed special agent in Kentucky and Tennessee to assist State Agent John L. Smith. Mr. Gibson will make his headquarters with Mr. Smith at 703 Marion E. Taylor building, Louisville.

He has been for the past six years with the Tachau agency, Louisville.

Frank James, who has been an engineer with the Kentucky Actuarial Bureau at Paducah, Ky., joins Tachau & Sons to take Mr. Gibson's place.

Beverly to Royal Exchange Head Office; Helm Is Named

W. J. Beverly, who has been in the field for the Royal Exchange group in Massachusetts and Rhode Island, has become assistant general agent at the New York head office. Walter J. Helm, who resigned as special agent of the Springfield Fire & Marine, has been appointed state agent to cover the field formerly supervised by Mr. Beverly.

Mr. Beverly is a native of Ohio, attended the University of Michigan and served in the world war. He was with the Missouri Inspection Bureau in 1919 and joined the New England Insurance Exchange in 1924 as an inspector. Mr. Helm was born in Connecticut and started in insurance work with the Aetna Life in Hartford. He was transferred to the Automobile and went to Boston in 1921 as inspector in the analytical rating division of the New England Insurance Exchange. He went with the Springfield in 1924.

National Union Appoints Leonard in Southern Post

A southeastern production office has been established by the National Union Fire under direction of G. B. Leonard, manager, with headquarters in the Trust Company of Georgia building, Atlanta. This move was made necessary by growth of business throughout the southeastern territory.

Mr. Leonard is state agent of the National Union for Georgia and Alabama. His earlier experience was gained in local agency work at Macon, and later he represented several prominent companies in field work. Mr. Leonard will supervise production in North Carolina, South Carolina, Georgia, Alabama and Florida, supplementing the present field force in those states.

New Setup in Oklahoma

A new program is being introduced in the operation of the Oklahoma Fire Prevention Association. The new setup, as announced by Secretary Will S. Eberle, involves districting the state by counties, with a county chairman named for each, from the ranks of the association membership. Each chairman is responsible for all fire prevention activi-

ties in his county and is expected to work with local agents and take complete charge of arranging inspections and details of the entire program for Fire Prevention Week in October. The first inspection scheduled for 1937 will be at Chickasha Feb. 9-10, with County Chairman F. C. Newcomer in charge.

Rearrange New England Field

The interests of the Springfield F. & M. group in Massachusetts and Rhode Island will hereafter be directed by Special Agents H. J. Landen and R. C. Vedeler. W. J. Helm, formerly in that territory, resigned to become state agent of the Royal Exchange group.

Mr. Landen started as file clerk at the head office of the company, later becoming an examiner in the New England department and still later traveling Alabama and a section of Florida as special agent. He has been special agent in his present territory since 1928.

Mr. Vedeler joined the Springfield organization 11 years ago, after some experience with a Boston agency. He was appointed special agent in New Hampshire, Vermont and Eastern Massachusetts in 1928, and for the past year has been in Massachusetts and Rhode Island.

Tennessee Ganders Meet

The Tennessee Blue Goose held a "get acquainted" meeting at Chattanooga, with ponds represented as follows: 39 from Tennessee, four from North Carolina, one from Texas, two from Illinois, seven from Kentucky, two from Alabama, and four from Georgia. J. K. Recknall, Otto W. Staib and J. V. Richards, Jr., were initiated at a model initiation. Frank M. Drake, Louisville attorney; B. K. Clapp of Atlanta, manager Fire Companies Adjustment Bureau, and Ben S. McKeel, North Carolina state agent New York Underwriters, grand keeper of the golden goose egg, made interesting talks. Leon McGilton, most loyal gander, was toastmaster.

Hill to National F. & M.

The National Fire & Marine has named Howard C. Hill to take charge of its new Pennsylvania department with headquarters at Williamsport. Mr. Hill has been with the Globe & Rutgers Fire for more than 25 years. He started in business with his father's local agency at Williamsport and later became special agent for Pennsylvania for the Thuringia of Germany. When that company withdrew from the country he joined the Globe & Rutgers, which at that time was headed by E. C. Jameson. In making this change Mr. Hill is again associated with Mr. Jameson, who is now president of the National Fire & Marine.

Missouri Meet at Boonville

The Missouri Fire Underwriters Association held its first meeting for 1937 at Boonville. A number of business men attended the session and heard an explanation of policy contracts and benefits by Wallace Rodgers of the Western Underwriters Association.

An inspection of Boonville is being made by the Missouri Fire Prevention Association Thursday.

Nelson in Suburban Field

The Commercial Union group has appointed G. F. Nelson as special agent for suburban New York with headquarters at 163-18 Jamaica avenue, Jamaica, N. Y., associated with Special Agent Louis B. Burkert. Mr. Nelson has been at the head office for some time.

Rounding Out 50 Years

C. G. Wonn of Chicago, special agent of the Northern Assurance group, will celebrate his 50th year with the company in March. He is secretary of the Illinois Fire Prevention Association, one of the prominent field men of the state and has always done a good piece of work. The Illinois Blue Goose, Illinois Fire Prevention Association, Illinois Fire

Indiana Agents Put on Special Hellekson Drive

The Lukens & Smith agency of Evansville, Ind., held a surprise testimonial drive for business in honor of John H. Hellekson, Indiana state agent of the Springfield Fire & Marine, to observe his 50 years of service in Indiana. Other Springfield agents throughout the state were enlisted and Mr. Hellekson's first knowledge of the drive was when extra premiums and congratulatory letters began to pour in from all parts of the state. A substantial volume of new business resulted and the letters were collected and bound in leather with a suitable inscription on the cover and presented to Mr. Hellekson who was deeply touched by the manifestation of regard thus indicated. In a letter of acknowledgment to the Indiana agents Mr. Hellekson expressed his heartfelt appreciation and he also paid tribute to the Springfield and the men in the western department under whom he directly worked. "No one could have been more fortunate than to have worked under such managers as A. J. Harding, A. F. Dean and Harding & Lininger," he said. In October, Mr. Hellekson will round out 60 years with the company, his first 10 years having been spent in the Chicago office. He was sent into Indiana in the fall of 1886 to succeed Robert Zener, who was opening a local agency in Indianapolis. At that time his field also included Ohio. Mr. Hellekson was president of the old state board at one time and later served as president of the Indiana Fire Underwriters Association.

Underwriters Association and the Northern Assurance will do him honors at the appropriate time.

New Oregon Pond Officers

PORLAND, ORE., Jan. 20.—At the semi-annual meeting of the Oregon Blue Goose, Lou Centra resigned as keeper. Wielder Roy Owen was advanced to the position. Ralph Giese of Swett & Crawford was elected wielder. Deputy Most Loyal Grand Gander Ira P. E. Reynolds officiated.

Williams Michigan State Agent

A mistake was made in saying that Walter H. Wolf has replaced G. R. Pritchett as Michigan state agent of the American. Mr. Wolf is manager of the Detroit branch and continues in that position. H. W. Williams is transferred from St. Louis and is Mr. Pritchett's successor in Michigan.

Nebraska Pond Dinner-Dance

The Nebraska Blue Goose will hold its annual dinner-dance and Valentine party in Omaha Feb. 13. About 125 couples, including field men in adjoining states, are expected, according to Wielder B. O. Robinson.

Calls Nebraska F. U. A. Meet

B. O. Robinson, president, has called a meeting of the Nebraska Fire Underwriters Association in Omaha March 19. A number of company officials are expected to attend.

Daniels Recovering from Crash

Richard Daniels, special agent for the Rocky Mountain department of the American of Newark, who was injured in a severe airplane crackup a month ago, is making splendid progress towards recovery.

Connelly in Central New York

The Commercial Union group announces the transfer of Special Agent C. J. Connelly to the central New York field as an associate of Special Agent W. E. Hamilton with offices at 1001 Hills building, Syracuse. Mr. Connelly is a company trained man and has had

an excellent record in various departments of the home office as well as in the field. For the past three years he has acted as special agent in the New York suburban field.

Hear Fire Chief in Montreal

MONTREAL, Jan. 20.—Chief James McIsaac of the local fire prevention bureau addressed the Quebec Blue Goose on "Work of the Fire Department and the Cooperation of Fire Insurance Companies." C. O. Reiffenstein presided.

Knox with Crum & Forster

Edward Knox, who has been with the Fire Insurance Rating Bureau of Wisconsin in Milwaukee as a rater, has resigned to become special agent in Wisconsin for Crum & Forster.

Polsz Goes to Indiana

The Sun group has appointed Walter H. Polsz to succeed James E. McEvoy as Indiana state agent. At the request of Mr. McEvoy the management has arranged to transfer him to the Cook county department at the Chicago office. Mr. Polsz has been identified with the Chicago office for many years. State agency headquarters will continue at 211 Pennway building, Indianapolis.

Hear Talk on Russia

Dr. Ralph Reynolds, San Francisco physician, spoke on "The Russia of 1936 as Compared with the Russia of 1929," before the San Francisco Blue Goose. Dr. Reynolds visited Russia in 1929 at the invitation of Russia's minister of health to study the public health regime. He again visited that country the past summer to give a medical research lecture before the Academy of Sciences in Moscow. John A. Carlson, America Fore, presided.

George Hartung Special Agent

George Hartung has recently been appointed special agent working out of the office of his father, Gus E. Hartung, Denver general agent.

Examining K. C. Reciprocals

KANSAS CITY, Jan. 20.—The Lumbermen's Underwriting Alliance, with its attorney-in-fact, U. S. Epperson Company, and Universal Underwriters, with Lynn-Wells Underwriting Company, attorney-in-fact, are being examined by the Oregon, Texas and Missouri departments.

Charles Jens, rater for the Wisconsin Fire, Insurance Rating Bureau, has joined the Leedom, O'Connor & Noyes Co. agency in Milwaukee.

INSURANCE STOCK QUOTATIONS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business Jan. 19, 1937

	Par	Div.	Bid	Asked	Par	Div.	Bid	Asked	
Aetna Cas.	10	3.00*	111	114	Htfd. Steam Boil.	10	1.90*	73	75
Aetna Fire	10	1.60	50	52	Home F. & Mar.	10	2.00	41	44
Aetna Life	10	.80	29	31	Home Fire Sec.	10	...	5 1/2	6 1/2
Agricultural	25	3.00	87	90	Home (N. Y.)	5	1.25*	40 1/2	41 1/2
Amer. Alliance	10	1.20*	24	25	Homestead	10	1.00	23 1/2	24 1/2
Amer. Equitable	5	1.20*	38	39	Ins. Co. of N. A.	10	2.50*	74	76
American (N. J.)	2.50	.50	13	14	Kan. City F. & M.	10	.60	20	22
Amer. Surety	25	2.50	59 1/2	61	Knickerbocker	5	.50	17	18
Automobile	10	1.20*	32	34	Maryland Cas.	com.	...	8 1/2	9
Balt. Amer.	2.50	.30*	9	10	Merch. Mfrs.	5	.40	13	14
Boston	1.00	21.00*	690	715	Mer. Assur. com.	5.00	1.60	61	64
Camden Fire	5	1.00	22	23 1/2	Natl. Cas.	10	.80	19	21
Carolina	10	1.20*	29	31	Natl. Fire	10	2.00	67	69
Contl. Cas.	5	1.00	28 1/2	29 1/2	Natl. Liberty	2	.40*	10 1/2	11
Contl. Ins.	2.20	1.45*	42	43	Natl. Union	20	4.00*	141	143
Crum & For. com.	10	.90	32 1/2	33 1/2	New Am. Cas.	2	...	16 1/2	17 1/2
Fidelity & Dep.	20	2.25*	128	130	New Brunsw. F.	10	1.30	36	37 1/2
Fidelity-Phen.	2.50	1.45*	45	46 1/2	Northern (N. Y.)	12.50	4.00*	101	104
Fire Assn.	10	2.50*	82	84	North River	...	2.50	1.00*	28
Fireman's Fund	25	4.00	95	97	N. W. Natl. Cas.	2.50	.10	6 1/2	7 1/2
Firemen's F. Ind.	10	...	39	41	N. W. Natl. Fire	25	6.25*	132	136
Franklin	5	1.20*	34	35 1/2	Pacific Fire	25	5.00*	127	142
Gen. Reinsur.	5	2.00	46	47	Phoenix, Conn.	10	2.50*	96	98
Glens Falls	5	1.60	47 1/2	49	Prov. Wash.	10	1.25*	33 1/2	40
Globe & Repub.	5	.62 1/2*	21	22	Repub. Ins. Tex.	10	1.00	25 1/2	27
Gl. & Rut. (com.)	25	76	79		Rossia	5	.80*	12	13
Gt. Amer. Fire	5	1.20*	28 1/2	29 1/2	Security	10	1.40	35	37
Gt. Amer. Ind.	1	.15	8	10	Southern Fire	10	1.20	31	33
Halifax Fire	10	.90**	23	24	Sprgfd. F. & M.	25	4.75*	129	132
Hanover Fire	10	1.60	37	38	St. Paul F. & M.	25	7.50*	212	216
Harmonia Fire	10	1.20*	30 1/2	32	Travelers	100	16.00	494	502
Hartford Fire	10	2.00	74	75 1/2	U. S. Fire	4	1.90*	56	58

COMPANIES

St. Paul F. & M. New Figures

All Companies in the Group Made an Excellent Showing on Year's Operations

The St. Paul Fire & Marine issues its 72nd annual statement this year, its assets being \$39,398,015, premium reserve \$8,647,086, loss reserve \$1,608,300, conflagration reserve \$450,000, depreciation reserve \$1,257,941, capital \$4,000,000, net surplus \$22,419,614. The net underwriting profit was \$1,608,311, interest received \$1,450,970, appreciation in market values \$1,257,941. The surplus increased \$2,228,405. The premiums last year were \$10,676,791, decrease \$2,737,162, premium reserve decrease \$1,411,759, assets increased \$2,187,853. There was \$75,000 added to the conflagration reserve.

Statement of the Mercury

The Mercury, one of the running mates, shows assets \$5,730,570, premium reserve \$1,707,020, capital \$1,000,000, net surplus \$2,591,807. Net underwriting profit was \$193,107, interest on investments \$235,585, appreciation in market values \$163,769, depreciation reserve \$163,769, surplus increase \$210,692, premiums \$1,816,185, increase \$85,307, premium reserve increase \$97,344. The assets increased \$485,366.

Abstracts from the St. Paul Mercury Indemnity statement can be found in the casualty news department. The St. Paul Fire & Marine group is very substantially ballasted.

Larger Quarterly Dividend

The Knickerbocker of the Corroon & Reynolds group has declared a quarterly dividend of 20 cents a share payable Jan. 25 to stockholders of record Jan. 20. This represents an increase, the dividend being at the rate of 80 cents a year compared to 50 cents last year.

Company Notes

The Pacific Coast Fire has been licensed in Iowa.

Secretary George J. Wegmann and Maj. John Dart have been elected directors of the Lafayette Fire.

The National Fire & Marine has elected Alfred H. Swayne, vice-president of General Motors Corporation, and F. D. Hahn, president of C. W. Crane & Co., directors.

The Franklin Fire is the most recent member of the Home group to declare an extra dividend. Stockholders will receive March 1 an extra of 10 cents together with the regular quarterly of 25 cents per share.

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"PROTECTION SINCE 1883"

EDITORIAL COMMENT

John H. Thom and Associates

IN THE recent death of JOHN H. THOM, vice-president STANDARD ACCIDENT of Detroit for many years, there passed another from the already sadly depleted ranks of the pioneer casualty underwriters who laid the foundation upon which the business has since attained remarkable proportions.

In the early days before the era of associated effort and scientific rating, rates for the various divisions of employers' liability insurance were determined at round-table discussions by company officials and their chief liability underwriters. Attendants at such gatherings included President G. F. SEWARD and Vice-President T. L. GATY of the FIDELITY & CASUALTY; SAMUEL APPLETON, United States manager of the EMPLOYERS LIABILITY; J. G. BATTERSON, president, and WALTER COWLES, vice-president of the TRAVELERS; Capt. A. W. MASTERS, United States manager of the LONDON GUARANTEE & ACCIDENT; EDSON S. LOTT, president of the UNITED STATES CASUALTY; Col. ELLERBEE, president of the UNION CASUALTY of St. Louis; JOHN T. STONE, president, and F. HIGHLANDS BURNS, agency manager of the MARYLAND CASUALTY; J. SCOFIELD ROWE, vice-president of the AETNA LIFE; OSCAR ISING, United States manager of the OCEAN ACCIDENT, and Mr. THOM, then head of the liability division of the Detroit company. Of the entire number Messrs. LOTT and ROWE only continue in the ranks; all the others have taken the long trail over the hills.

Though a junior officer at the time Mr. THOM was recognized by his associates as having a keener knowledge of liability underwriting than any of them, and his presentation of facts, figures and suggestions was always attentively heard and his recommendations usually adopted. Rates for the different classifications were reached as a rule through the compromise method;

that is, each company presented its loss experience on the classification under review; and if the record of any particular office was favorable its representative naturally urged continuance of the tariffs in force; while on the other hand, companies with an unsatisfactory experience insisted upon a rate advance. The usual result in such cases was a partial increase in the charges. In all the discussions, which at times were heated, as might be imagined when such impetuous figures as Captain MASTERS and Mr. SEWARD voiced their views, Mr. THOM usually managed to calm the discussion by a clear-cut and courteously phrased presentation of the issue and its suggested solution. Essentially a gentleman of the old school, he was kindly in all of his dealings, tolerant of the views of others and modest in offering his own. As a result, he long exerted a positive though quiet influence on the action of the carriers.

Meetings to review rates were held once a month, usually in New York City, though occasionally during the summer season, sessions would be held at Saratoga Springs, Spring Lake, or other resort centers. As the volume of liability business grew there came the general recognition that rates, instead of being made by rule of thumb, should be computed scientifically and an association for such purpose was formed, which body through successive developments became the NATIONAL BUREAU OF CASUALTY & SURETY UNDERWRITERS of the present day. Though Mr. THOM had not been especially active in association councils for some years, his early contribution to the liability business is fully appreciated by the present generation of underwriters as it was by his conferees of bygone days. He will ever be recalled as one who was an honor to the fraternity and a fine example of clean living and straight thinking.

Women in Insurance Offices

WOMEN are becoming more important in fire insurance offices. The so-called "head girl" in a local agency wields much influence. She assumes really important responsibilities. In a number of cities there are organizations of insurance women that meet regularly and discuss the problems confronting them. Very often they have speakers elucidate some

insurance questions. Now a movement is on foot in New Hampshire to form a state association of insurance women to be allied with the NEW HAMPSHIRE ASSOCIATION OF INSURANCE AGENTS. This is a proposal of importance and women in other states will undoubtedly watch New Hampshire to see what can be accomplished.

Claim Racketeering Results

LOCAL agents and, in fact, insurance men in every locality have a distinct responsibility to their communities in any effort to reduce or eliminate racketeering which eventuates in the increasing cost of insurance. During the depression period many lawyers that saw their

practice greatly diminish have moved into the personal damage claim field and have developed claims that otherwise would not be made. In some cities automobile rates are pushed to such a high point that agents saw that business would be greatly reduced unless

they could get rates down. In cooperation with proper committees of the chamber of commerce or other business organizations efforts were made to clear out artificially stimulated damage suits and those responsible for them. Trumped up claims are becoming more and more numerous. In some localities it is found that irresponsible lawyers have worked with professional claimants and crooked doctors. The NATIONAL BUREAU OF CASUALTY & SURETY UNDERWRITERS has used its good offices in attempting to wipe out lawyer racketeers.

In some cities, Youngstown, O., Birmingham, Atlanta, Cleveland, Buffalo, Syracuse and Boston for example, excellent results have been secured where there was an earnest and intelligent campaign made to crush out this nefarious business.

Local agents are vitally affected where claim ratios are forced up due to racketeering. It is to their own advantage to cooperate in every possible way to work for their premium paying public and get these impositions wiped out.

PERSONAL SIDE OF BUSINESS

Arthur Waller, United States manager of the Royal Exchange, is taking a vacation in St. Petersburg, Fla., where he plans spending three weeks.

J. O. Sutton, former office manager of the Royal in Chicago, died at his home in Oshkosh, Wis., after a brief illness. He moved there two years ago. Mr. Sutton was accountant for the Royal for 40 years and office manager at Chicago for 10 years.

Thomas M. Miller, who as assistant attorney general of Ohio represented the Ohio insurance department, has resumed the private practice of law with Druggan & Gingher at Columbus. Mr. Miller is well known as an insurance attorney.

Thomas C. Sharp, 47, head of the Sharp Insurance Agency, died Friday at a hospital in Louisville. His death was caused by pneumonia which followed an operation performed two weeks ago. A native of Harrodsburg, Ky., Mr. Sharp went to Louisville in 1914. Before establishing the insurance agency, he served as vice president of the Transylvania Insurance Company. At various times he was general or regional agent for both the National Casualty and Hartford Accident.

Charles Hendrickson of Omaha, state agent Home of New York, is confined to his home with influenza. His condition is not serious.

B. T. Wollam, associate manager Phoenix of Hartford group in Chicago, will spend several weeks in Tucson and other southern Arizona points soon after his return from attending the company's annual managers' meeting in Hartford, which is being held this week.

H. C. Tobey of Marsh & McLennan in Chicago is vacationing at the Pan-coast hotel in Miami Beach. He was stricken by the "flu" in Chicago and is getting his strength back in Florida.

Blagden Manning of T. A. Manning & Son, Dallas, Tex., underwent an operation for appendicitis there and will be confined for two weeks.

The subscribers actuarial committee at Chicago at its meeting last week presented **C. R. Street**, western manager of the Great American, who recently retired as chairman of the committee, with a magnificent bronze ship clock. The presentation on behalf of

the members of the committee was made by H. A. Clark, western manager of the Firemen's. Mr. Street served as chairman of the committee for a number of years and during that time performed yeoman service.

James R. Chapman, son of A. G. Chapman, well known local agent at Louisville, has connected with the Western Adjustment at Detroit primarily to handle transportation claims. Mr. Chapman recently launched an organization in Louisville along the same line.

Commissioner **Frank Yetka** of Minnesota this week was a speaker before the St. Paul College of Law, from which he graduated some 20 years ago.

Frank I. Houghton, chief deputy insurance commissioner of Washington, died at a hospital in Olympia. He had been with the Washington department 25 years.

F. C. Hatfield, vice-president Phoenix of Hartford group, has been elected a director of the First National Bank of Hartford.

Joseph O. Treanor of Nashville, Tenn., widely known local agent of the state, died at his home at the age of 61 following a long illness. He entered the business 40 years ago with his father in the J. O. Treanor & Son agency.

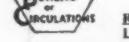
G. W. Grossenbach, who was vice-president of the Milwaukee Mechanics from 1870 to 1929, and Mrs. Grossenbach next month will celebrate their 60th wedding anniversary.

Harry L. Geisler of the Geisler-Lindauer Insurance Agency, Madison, Wis., has been elected potentate of Zor Shrine Temple.

Mrs. Helen Danforth Pruden of Montclair, N. J., daughter of the late President **Frank S. Danforth** of the Millers National of Chicago, has put out a brochure entitled "Companionship Still Rich and Gay." It is a tribute to her father and mother with illustrations of each and also some pictures of the exterior and interior of their summer home at Round Lake, Ill., which Mr. Danforth named, "Danforth Folly." Mrs. Pruden says in the preface, "Mother and father are gone, yet deep in my heart, underlying sorrow and loneliness, is the conviction that I have not lost them. Remembering them, I

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am constantly reassured of their living reality. I am comforted by a happy confidence in their nearness. Although their presences are unseen I feel their familiar touch, their voices no longer heard I know they are unstilled. I have set down some of my memories here, partly for the poignant joy of reliving them and partly in the hope that others who loved mother and father may be stirred anew to an awareness of their companionship still rich and gay."

The other child in the Danforth family is Ralph S. Danforth, superintendent of agents of the Millers National.

Harry Benner, assistant manager of the Great American and Phoenix of Hartford groups in San Francisco, had the peculiar experience (peculiar to Californians) of being "snowed in" one morning last week at his Orinda home. Because of his many highly embellished descriptions of the sunny, balmy climate of Orinda, he was the butt of considerable merriment when he arrived at his office the following day.

Henry A. Schroeder, 75, oldest agent of the Connecticut Fire on the Pacific Coast in point of service, died at his home in Seattle. He became an agent of the Connecticut Fire in October, 1893, and had represented that company solely for 43 years.

Homer Gwinn, well known Chicago local agent and head of Homer Gwinn & Co., and Mrs. Gwinn had planned to take a two months trip starting Monday, sailing from New Orleans, going through the West Indies and on to Rio Janeiro. Mrs. Gwinn suffered a heart attack and is now in a hospital so the trip was called off.

C. Weston Bailey, chairman of the American of Newark group, celebrated his 76th birthday this week. Mr. Bailey celebrated his 60th anniversary of service with the American Dec. 16. In spite of his advanced age and poor health, he is at his desk daily.

At the testimonial dinner to be given retiring Commissioner **H. E. McClain** of Indiana Jan. 25 under the auspices of the Indiana Blue Goose, his successor, George H. Newbauer, will be a guest and will receive his first introduction to a group of fire field representatives. Early reports indicate that the dinner, which is open to the public, will be well attended. Mr. McClain has been a popular commissioner and has been actively in contact with various insurance organizations throughout his administration, appearing frequently on their business session programs.

W. S. Naulty, vice-president of J. H. Byrne Co., Newark agency, died at his home after a brief illness. He was born in Philadelphia in 1872, and educated at La Salle College, engaging in the insurance business under the firm name Gadd & Naulty in 1898 in Newark. He left to become vice-president of Byrne Co. in 1901. He was past president of the Fire Insurance Society of Newark and Underwriters Protective Association, and vice-president of the Merchants & Manufacturers Fire of Newark.

Bakes Reappointed in Idaho

W. H. Bakes, insurance commissioner of Idaho, has been reappointed for a two-year term by Governor Clark. Mr. Bakes has occupied the post for the last six years. Before being insurance commissioner he was 20 years in local agencies in Burley, Pocatello, Blackfoot and Twin Falls. He attended the University of Utah, University of Chicago and University of California.

Address Harrisburg Agents

Speakers at the meeting of the Harrisburg Association of Insurance Agents were W. H. Eby and F. R. Leib II. Mr. Eby spoke on "The Scale of Fire Insurance Companies," and Mr. Leib on "The New Agency Qualification Rule."

Retiring and New Presidents



CHARLES BURESH



CHESTER M. HAYDEN

Charles Buresh of Fred S. James & Co., who has served the Chicago Board with distinction as president for two years, will retire at the annual meeting Jan. 28. He has been a most efficient official. Chester M. Hayden, who has been vice-president during that time and who is vice-president in charge of the Chicago department of the Glens Falls group, will be the new president. Mr. Hayden is a native of Lafayette, Ind., having been born there July 24,

1890. He started his insurance career as stenographer with the Western Adjustment office in Chicago in 1907 and went with the Glens Falls in Chicago in 1909, having been with the company ever since. He was made vice-president in 1929. He is vice-president of the Commerce and also the Glens Falls Indemnity. He served as president of the Cook County Plate Glass Insurance Bureau until it was abandoned several months ago.

New Insurance Papers Start

John C. Piver, Jr. of San Francisco and Leo E. Thiemann Will Launch Trade Publications

John C. (Jack) Piver, Jr., vice-president of the "Underwriters Report" of San Francisco, who recently has been in charge of the Pacific northwest with headquarters at Seattle, has severed his connection with that publication to start a new Pacific Coast weekly, "Pacific Insurance," which will appear Feb. 6. The publication office will be at San Francisco and branch offices will be established at Seattle and Los Angeles. The Seattle office will be in the Exchange building. Mr. Piver is a son of J. C. Piver, Sr., head of "Underwriters Report" and has been connected with the publication for the last 15 years. He is a native of San Francisco and worked after leaving school for a while on the San Francisco "Daily News." He joined "Underwriters Report" as an office boy in 1921. For two years he was editor of "Shipping Register" and "Pacific Sportsman" affiliated publications. He is a past president of the San Francisco Exchange Club.

Leo E. Thiemann's New Paper

Leo E. Thiemann, who recently severed his connection with the "Insurance Index" of Louisville as editor, has embarked on a new enterprise and is starting the "Life Insurance Digest" with headquarters at 511 Washington building in Louisville. Mr. Thiemann is a former daily newspaper man at Louisville and was for a while on the editorial staff of the "Insurance Field" and had charge of the Chicago office. Later he was connected with the old Casualty Information Clearing House at Chicago. Subsequently he was secretary Louisville Board of Fire Underwriters and the Kentucky Association of Insurance Agents. Before going with the "Insurance Index" he was connected with the Kentucky insurance department. Mr. Thiemann will be editor and while the "Life Insurance Digest" will be his first publication he announces that later he

will start another paper covering fire and casualty insurance. He states that it will be something in the way of a feature and sales magazine.

Omaha Committees Named for Agents' Mid-year Meet

OMAHA, Jan. 20.—Plans are rapidly being put into shape for the mid-year meeting of the National Association of Insurance Agents, to be held here the week of April 12, with headquarters at Hotel Fontenelle.

The Nebraska Association of Insurance Agents, of which George Cowton of Grand Island is president, and the Omaha association, headed by Philip W. Downs, Downs Insurance Agency, will be co-hosts for the convention.

Arrangements Committee

The following committees are in charge of arrangements: General chairman, P. W. Downs; vice-chairmen, Irvin Zerzar, Omaha Insurance Agency, and Richard Walker, Byron Reed Co.; transportation, Richard Koch, H. A. Koch Co.; registration and information, F. T. B. Martin, Martin Bros. & Co.; finance, Joe Greenburg, H. A. Wolf Co., and Ed Heflin, Martin Bros.; entertainment, Joseph Barker, Jr., Foster-Barker Co., and T. A. Bryan, Dunbar Insurance Corporation; publicity, R. F. Stryker, George & Co.; exhibits, T. H. Maenner; golf, Frank Wheeler, Fell & Pinkerton Co.; Bert Wheeler, Wheeler-Wheeler-Alexander Co., and Henry Christensen, Kelly-Christensen Co.; hotel, C. C. Allison, Love-Haskell Co.; ladies, Mrs. Arthur B. Dunbar.

Special Insurance Course

Dr. Alfred Manes, Indiana University insurance professor, will give a course on insurance economics in Indianapolis Feb. 2-10. The course will deal with the relation between theory and practice of insurance, the growth of American insurance, hypotheses and limits of insurance, importance in private and national enterprises, calculation of risks, limitation of risks, problems of insurance finance and politics.



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FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Felker Is St. Louis President

Named to Head Fire Underwriters Association at Its Annual Meeting—Has Been Secretary

ST. LOUIS, MO., Jan. 20.—Arthur F. Felker, president Laclede Insurance Agency, was elected president of the Fire Underwriters Association of St. Louis at its annual meeting. He had been on the executive committee for several years, having been secretary the past year.

O. D. Prowell, Capen & Co., was re-elected vice-president and J. J. O'Toole, F. D. Hirschberg & Co., was renamed treasurer. W. D. Hemenway, Jr., Insurance Agency Company, succeeds Mr. Felker as secretary.

Executive Committee Members

Members of the executive committee in addition to the officers are: Class 1, L. E. Bright, K. M. Hickey, A. J. Hunthausen and Boyle O. Rodes; Class 2, E. J. Boyce, J. F. O. Reller, D. F. Sheehan and C. R. Yekel; brokers, Oliver Blase, F. A. Newberger, J. F. O'Boyle and H. G. Sawtelle. Messrs. Hickey, Newberger and O'Boyle are new members of the committee, succeeding E. G. Marsh, Jr., F. E. Maginity and E. C. Foote.

The new executive committee will be called upon to dispose of the application of the Case, Thomas & Marsh general insurance agency to transfer its Class 1 membership to the new agency firm of Marsh & McLennan-Case, Thomas & Marsh. This matter was referred to a special committee of the executive committee for consideration.

Yetka Talks to Farm Mutuals

Minnesota Commissioner Warns Against Too Rapid Expansion, Especially Into Cities

ST. PAUL, Jan. 20.—Farm mutuals in Minnesota were warned against too rapid expansion, especially into the cities, in a talk by Commissioner Yetka at the convention of the State Association of Farmers Mutual Insurance Companies of Minnesota.

"There is a big difference between writing insurance in the cities and writing it in the country as your companies have been doing," Mr. Yetka said. "There are more unscrupulous sharpers and more educated dumb-bells in the large cities than you might imagine. I advise you to play safe and keep up the good record you have made thus far."

In elaborating on this the Minnesota commissioner predicted that "a great change is coming in the insurance business; how soon it will come we do not know but people more and more are demanding their insurance of all kinds at cost."

The commissioner did not pursue this point further but his statement was interpreted by many of those present as a forecast of state insurance.

Asks More for Department

Mr. Yetka asked the support of the farm mutuals in getting an increased share of premiums for the support of his department. The decline in premium income in Minnesota since 1930, he said, has curtailed the funds of his department and may necessitate in restricting its activities.

There was a lively debate over the proposal to compel all Minnesota farm mutuals to use a standard form of policy and there was also a difference of opinion whether, in case a standard policy

was made compulsory, it should be a state or national form. Several speakers favored a law compelling the use of a national standard policy. It was pointed out that loaning agencies object to many of the policy forms now in use by the farm mutuals.

An effort will be made by the farm mutuals to have the three-year statute of limitations in arson cases removed. The legislative committee was instructed to seek an amendment to the present law which would make it possible to prosecute an arson case at any time, regardless of when the crime was committed. The association also will seek permission from the legislature to write dwelling house insurance in towns and villages up to 3,000 population.

L. M. Larson, Hopkins, was elected president; L. Jensen, Clearbrook, vice-president; A. E. Anderson, Cottonwood, secretary, and Frank P. Powers, Mora, treasurer.

Hail Law in North Dakota Stops Farm Loans in State

ST. PAUL, Jan. 20.—North Dakota's hail insurance law has proved a boomerang to that state in one direction. Because of the law and a court interpretation of it, the Federal Land Bank of St. Paul has announced that until further notice it will make no loans in that state.

In explaining its action, Roy A. Nelson, the bank president, said:

"The North Dakota supreme court in December decided that the 1933 amendment to the state's hail insurance law has the effect of making the hail insurance premiums prior and superior to all mortgages subsequently executed, regardless of whether the mortgage was recorded before or after the hail insurance amendment became effective."

"Since the courts determined that the so-called hail tax is not a tax in any

sense of the word but is merely a contractual lien, Federal Land Bank officials say that it is impossible to accept a farm real estate mortgage in North Dakota with any assurance that the same will remain either a first or second lien."

Report of National Board Is Made on Grand Rapids

The National Board in reporting on Grand Rapids, Mich., states that the water supply works are adequate and reliable. There are adequate quantities available in the most important districts, but small mains limit the supply in some high value and residential districts. The fire department is mainly well trained and effective, but lacks sufficient companies and men. The fire alarm system is of insufficient capacity, not properly operated and with some features of unreliability.

The engineers say that severe group fires are likely in many blocks of the congested value district but the probability of spreading beyond the block of origin is moderate. In minor mercantile and manufacturing districts severe group fires are probable.

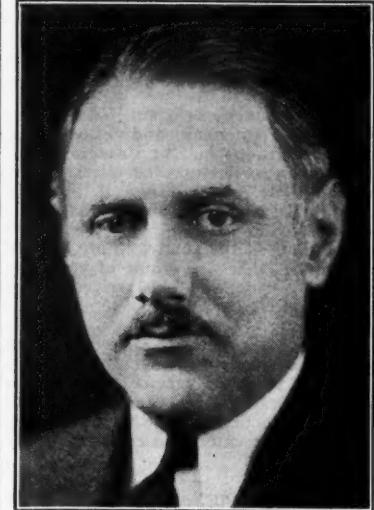
Business Development Meet in Minneapolis on Jan. 26

MINNEAPOLIS, Jan. 20.—An invitation to every local agent and field man in Minnesota to the "business development" meeting here Jan. 26 was issued this week by the Minnesota Association of Insurance Agents and the field club.

Speakers will include F. S. Dauwalter, manager Business Development Office; P. H. Ware, secretary of the agents' association, and G. D. Van Wagenen, National Union, representing the field men.

The field club will hold its regular quarterly meeting in the morning, followed by a joint meeting of agents and field men. In the evening the executive

Now Professor



THEODORE SAFFORD, Cincinnati

Theodore Safford, vice-president of Albert W. Shell & Co. of Cincinnati and president of the Cincinnati Fire Underwriters Association, has been appointed on the faculty of the College of Engineering & Commerce of the University of Cincinnati to conduct a course in property insurance and allied lines. The semester registration starts Jan. 25 and the classes will open Feb. 1. The classes meet in the evening. Two guest lecturers who will speak before Mr. Safford's class are R. E. Verner of Chicago, head of the fire prevention department of the Western Actuarial Bureau, and F. S. Dauwalter of New York City, director of the Business Development Office.

committee of the agents' association will meet.

For the purpose of combatting non-stock competition in Minnesota, it is proposed to divide the state into 12 districts, with a separate organization in each district.

Joint Meeting in Milwaukee

MILWAUKEE, Jan. 20.—A joint meeting of the Milwaukee Board of Fire Underwriters, Milwaukee Board of Casualty & Surety Underwriters and the Wisconsin Association of Insurance Agents will be held here Jan. 25. F. S. Dauwalter, New York City, director of the Business Development Office, will discuss the plans and purposes of the organization. L. C. Hilgemann, president of the fire board, will preside. Frederick Kasten, president of the casualty board, and H. A. Bird, Beaver Dam, president of the state association, will also be on the program. The monthly meeting of the fire board will precede the general meeting.

Install New Kenosha Officers

KENOSHA, WIS., Jan. 20.—The Kenosha Association of Insurance Agents at its January meeting installed these officers: President, Hans Hansen; vice-president, J. P. Ballantyne; secretary-treasurer, L. T. Barden; executive committee, A. N. Gail, retiring president, John Hogan, George Stevens, J. P. Ballantyne and George Harrington. Officers made their annual reports and President Hansen outlined plans for the coming year.

Thomas Larkins, Hartford Fire, Milwaukee, president Wisconsin Fire Underwriters Association, and J. C. Schuett, special agent L. C. Dobbert General Agency, Milwaukee, spoke on

New and Retiring Presidents



PAUL LAURENSEN, Canton, O.

Paul Laurenson of Canton, O., who is connected with the agency of his father, C. R. Laurenson, has gone to the home office of the Hartford Accident & Indemnity to take a position. He was one of the founders of the Ohio Junior Association of Insurance Agents which was established during the time the Ohio Association of Insurance Agents met in



S. T. HILBERT, East Liverpool, O.

Columbus last fall. He was very active in promoting the organization and was elected its first president. Inasmuch as he is leaving agency work and the state he has resigned as president. S. T. Hilbert of the George H. Owen & Co. of East Liverpool, O., who was chosen vice-president, now becomes head of the junior association.

problems to be faced the coming year. Mr. Larkins discussed legislation that is expected to be introduced in the Wisconsin legislature and in Congress. He urged the agents to take an active interest in insurance legislation and contact their representatives constantly to protest against passage of bills injurious to their business and to the insuring public.

Iowa Reserves Mounting

DES MOINES, Jan. 20.—Reserve deposits of Iowa companies in custody of the insurance commissioner total \$478,000,000, an increase of \$57,000,000 the past year, Governor Herring told the legislature in his message.

Premium taxes and fees collected for the biennium total \$3,304,000, with insurance department expenditures only \$86,000.

Seeks Uniform Liquidation Act

LINCOLN, NEB., Jan. 20.—With the approval of the governor, Insurance Director Smrha is seeking adoption by the legislature of the uniform liquidation bill drafted by the National Association of Insurance Commissioners.

Minneapolis Prevention Code

The N. F. P. A. engineers advocated a comprehensive fire prevention code for Minneapolis and it has been adopted. Enforcement is placed with the fire prevention bureau of the fire department.

Dunifon in Law Firm

Dale Dunifon, for four years first assistant attorney general of Ohio, who devoted a large portion of his time while serving in that office to insurance matters coming before the superintendent of insurance, and Isadore Topper, who for six years has been an assistant attorney general, have formed the legal firm of Dunifon & Topper with offices in the Huntington Bank building at Columbus, O. Mr. Dunifon was for-

merly associated with the legal firm of Conn & Dunifon at Van Wert, O., before going with the attorney general's office. The senior member of the firm is Harry L. Conn, formerly Ohio insurance superintendent. Mr. Topper devoted most of his time to the department of liquor control and assisted in drafting the present liquor control act.

May Bill Agents for Licenses

ST. PAUL, Jan. 20.—A number of Minnesota agents who have had their licenses cancelled by the insurance department for failing to submit the qualification data asked of them are now seeking to get new licenses and are being compelled to pay the regular fee for new licenses. The department is suggesting to the insurance companies that they pay these fees for their agents that they bill the agents for the amount.

Detroit Women's Meeting

At the meeting of the Detroit Insurance Women's League, Robert M. Olp, manager of the Travelers Fire, gave a talk on the activities of the Business Development Office. Clara Rozenek of Marsh & McLennan is deputy general director of the league; Carrie A. Boldt of the Boldt Insurance Agency is general director, and Grace Poladian of the Brown Agency is secretary-treasurer.

Hail Fund at Low Mark

LINCOLN, NEB., Jan. 20.—The final report of the state hail insurance bureau shows that business touched low water mark for 1936. Only 51 policies were sold in 18 of the 93 counties of the state. Premiums earned totaled \$1,964 and losses \$1,590 in eight cases. These were paid in full and fund starts the year with \$3,917 in treasury. There is still due on premium notes \$1,383.

Rodman Portage, Wis., Speaker

PORTAGE, WIS., Jan. 20.—W. A. Rodman, Madison manager of the Western Adjustment, addressed the Columbia County Association of Insurance Agents on inspection and adjustment activities. R. A. Kenzel, Milwaukee, state agent London & Scottish and Northern of England, gave an impromptu talk. A round table discussion followed. During the dinner prominent local artists were heard, a feature arranged by Mrs. L. E. McQueeney, association secretary.

Vernor to Address Dayton Men

R. E. Vernor of the Western Actuarial Bureau will address the Dayton, O., Association of Insurance Agents, Feb. 1. Wallace Stauffer will act as chairman of the meeting.

Phoenix Group Field Meeting

The central western field men and managers of the Phoenix of Hartford group are holding their annual conference at the head office this week.

Toledo to Have Joint Rally

The annual meeting of the Toledo Association of Insurance Agents Feb. 8 will be joined with the district No. 6 regional meeting of the Ohio Association of Insurance Agents. New officers in Toledo will be elected Jan. 26. Guy Nearing of Bowling Green is president of the district group. W. R. Schmitt is retiring Toledo president. Frank Corns is banquet committee chairman, assisted by H. S. Boynton and G. W. Senn.

Compromise Is Proposed

JEFFERSON CITY, MO., Jan. 20.—C. E. Buchanan and his wife, through their attorneys, have filed suggestions with the Missouri supreme court, asking that tribunal to deny the motion filed by attorneys for Superintendent O'Malley and 73 stock fire insurance companies seeking to have the court set aside the judgment of the Cole county circuit court in the 16½ percent rate increase

litigation and to approve the peaceful compromise reached by the insurance department and the carriers.

The policyholders' petition questions the right of Mr. O'Malley to compromise the rate suit, and also criticised Attorney-general McKittrick for agreeing to the filing of the department's motion.

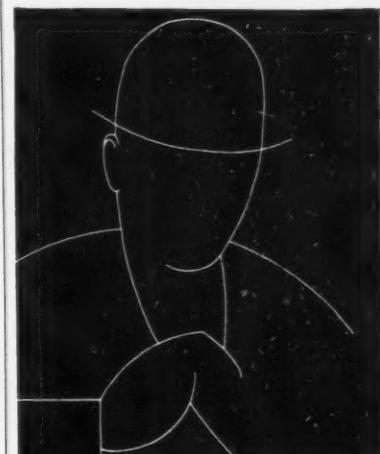
The Buchanans some time ago filed a petition with the Cole county circuit court asking for an immediate distribution to the policyholders of the \$1,768,481 in excess premiums impounded by that court in the 16½ percent case.

pices of the Michigan Fire Inspection Association.

Harry K. Rogers of the bureau was at Fort Scott, Kan., Monday and addressed the meeting of the Rotary Club at Pittsburg, Kan., Tuesday. On Wednesday he was at Arkansas City, Kan., and gave an address. He also will be at Jackson, Mich., next week and will put on his clown show.

Ohio Mutuals to Meet

The Mutual Tornado, Cyclone & Windstorm Association of Ohio and the Federation of Mutual Insurance As-



"WHAT CAN YOU DO FOR ME?"

SOONER OR LATER EVERY AGENT WANTS THIS QUESTION ANSWERED

We could tell you in detail about our age, our strong financial position, the many lines we write and our way of doing business, our able field force, our business-building magazine, "The Accelerator," our attractive consumer advertising, and our Sales Promotion Department—but, to many agents, that is not enough.

To such high-calibre men we reply that we have a complete individual program which shows you, step by step, how you can plan your progress along tested, known-to-be-profitable lines. The basis of such a program, your Plan of Progress, is an analysis of your market and a study of methods. The findings indicate the character of the advertising and the sales campaigns you should use.

Would you like to have such a plan—a plan that charts out clearly all your opportunities and helps you see that none is overlooked? You know that a plan won't work itself—you must work it. Ideas are not enough—you must use them. If you want to know more about what we can do to help you build more business with a plan, send the coupon for your copy of our booklet—today. It's called "Planned Progress."

BOSTON INSURANCE COMPANY
OLD COLONY INSURANCE COMPANY
Desk E, 87 Kilby Street, Boston, Mass.

Send me the booklet "Planned Progress" which outlines a complete individual program which shows me, step by step, how I can plan my progress along tested, known-to-be-profitable lines. I understand I may keep this booklet without charge and without obligation.

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sociations will hold their annual meetings in Columbus Feb. 15-17. G. W. Miller of Bucyrus is secretary of the former and A. F. Little of Covington, secretary of the latter organization.

Indiana Insurance Chairmen

A. LeRoy Porteus, vice-president Indianapolis Life, is chairman of the senate insurance committee of the Indiana legislature. L. E. Griffith of Huntington is chairman of the house insurance committee.

Topeka Loss Reduced

The Topeka, Kan., loss in 1936 was \$53,113—lowest since 1919 when it was \$48,620. Number of fires increased to 1,139 from 761, but most of these were grass fires due to drought. The 1935 total was \$98,202.

Ask Commission Substitute

LANSING, MICH., Jan. 20.—Substitution of the state treasurer for the state banking commissioner as a member of the Michigan anti-discrimination or insurance rating commission is being asked in a bill by Senators Fehling and Palmer.

Youngstown Slashes Insurance

The Youngstown, O., city government is cutting off \$856,700 or nearly 79 percent in insurance coverage on municipally owned buildings. This course is similar to that taken by the Youngstown board of education which carries no insurance on fire-proof structures and light coverage on semi-fireproof. It carries very full insurance on old high hazard schools. The Youngstown Insurance Agents Association recommended \$844,300 insurance on the city property but this was cut to \$228,400.

Agents Michigan Chairmen

LANSING, MICH., Jan. 20.—J. G. Mullen, Wallace local agent, has been named chairman of the insurance committee of the Michigan house. He served on the committee in the 1935 legislature. In the senate George Weadock, Saginaw agent, was selected for that post.

Asks Aschemeyer's Appointment

JEFFERSON CITY, MO., Jan. 20.—Superintendent O'Malley has recommended to Governor Stark that Frank P. Aschemeyer of St. Louis be appointed general counsel for the Missouri insurance department to fill the vacancy

caused in 1935, by the resignation of Powell B. McHaney to enter private practice in St. Louis.

Mr. Aschemeyer's name was submitted to former Governor Park some weeks ago but he failed to act on Mr. O'Malley's recommendation. Mr. Aschemeyer was special counsel for the Missouri department in connection with the rehabilitation of the Continental Life of St. Louis. If he is appointed he will relieve J. F. Allebach, deputy superintendent, who has been acting as special counsel for the department in addition to his duties as deputy.

Plan Ohio Regional Meetings

The Ohio Association of Insurance Agents is arranging a series of regional meetings late this month throughout the state.

C. P. Rutledge Heads Hail Mutual

C. P. Rutledge has been elected president of the Farmers Mutual Hail of Des Moines. Formerly an adjuster for the

company, he succeeds Perry Rutledge, Storm Lake, Ia., an uncle, who retired to become chairman of the board.

Acker Is Secretary

Walter E. Acker has been made secretary and manager of the Farm Bureau Mutual of Wisconsin, to succeed C. G. Huppert. Mr. Acker was formerly with the Illinois Agricultural Mutual.

Unlicensed Solicitor Indicted

H. B. Felton has been indicted on three counts at Chillicothe, O., for soliciting insurance for an unauthorized association and soliciting insurance without a license. The case will be tried the week of Jan. 23.

Middle West Notes

The E. J. Hahn agency, Marshfield, Wis., established in 1893, has changed its name to **Hahn & Hahn**.

The insurance agency of the late J. F. Adams, Washington Courthouse, O., has been sold to Mrs. Martha Mediweather.

IN THE SOUTHERN STATES

Beardsley Did Splendid Work

Tennessee Inspection Bureau Manager at Knoxville Pulled the City Out of the Red

C. D. Beardsley, who is retiring as manager of the Knoxville branch of the Tennessee Inspection Bureau, did a magnificent piece of work in cooperation with the late fire chief, S. B. Boyd, in taking Knoxville out of the "red" and putting it on a profitable basis as far as fire insurance is concerned. Mr. Beardsley had been chief assistant fire marshal of Ohio.

Knoxville was penalized in its insurance rates because several destructive fires had occurred in the later '90s, which seemed to indicate there was something radically wrong. Knoxville was referred to as a "three-story town with a one-story fire department." Mr. Beardsley at once decided to set the ball rolling. In cooperation with the fire chief and the city officials he inaugurated a service of electrical inspection, the cost of which was borne jointly by the electrical contractors and the city. Later a fire prevention bureau in the city's fire department was started and operated under Mr. Beardsley's supervision and from his office up to about six years ago, when the bureau of inspection was established, required more office space

and then it was removed to the central fire station.

There is no accurate fire loss data available prior to 1911. However, after Mr. Beardsley and Chief Boyd got going from 1911 to 1928, inclusive, the loss ratio was 34.3 percent. Since that date no experience has been compiled except per capita losses. This was done by the fire department and adopted as official by the National Board. The per capita fire losses from 1929 to 1936, inclusive, was \$1.275. For 1936, it was 49 cents. Therefore, Mr. Beardsley did a magnificent piece of work in connection with the loss situation at Knoxville. He and Chief Boyd got the ears of business men, urged their cooperation and brought about an entirely different condition.

Vote Legislative Inquiry of Oklahoma Department

OKLAHOMA CITY, Jan. 20.—Conditions in the insurance department, brought to the attention of the lower house of the legislature in a resolution introduced and adopted there, will be investigated by a special committee of five, named by Speaker Daniel, which will begin work some time this week.

In his annual report to the governor, Commissioner Read recommended abolition of the insurance board and fraternal board. "I have never found any good reason for the existence of the state insurance board," he said. "I know of no other state which has a like arrangement. Either the state insurance board or the insurance commissioner's

office should be abolished, thereby saving the duplication of work, waste of time; and removing a convenient vehicle for passing the 'buck'; and also avoid the confusion in the minds of the public and insurance fraternity as to which authority they should look to for the transaction of business."

A full investigation of the matter is expected to offer the legislature some way to dispose of a situation that sooner or later would force its attention. The committee is expected to hold hearings and summon witnesses, then report to the legislature, possibly with recommendation. The probe is also expected to extend to the state compensation fund.

Improvements Badly Needed in Houston's Fire Defense

At Houston, Tex., the N. F. P. A. reports that 18 men dropped due to budget limitations a year ago have been put back to work. Otherwise the N. F. P. A. says the situation is very critical. The fire prevention committee of the chamber of commerce has formulated a definite program of measures which will be presented to the new city administration which takes office this month. It has the support of the fire commissioner and fire chief and covers needed men, apparatus and stations for the fire department, the establishment of a fire prevention bureau, a fire limits ordinance, and improvements in the water system.

Electrical Inspectors Meet

LOUISVILLE, Jan. 20.—The Kentucky chapter of the International Association of Electrical Inspectors held a two-day meeting here with talks by S. G. Hibben, lighting authority, Bloomfield, N. J.; V. H. Tousley, field engineer of the National Fire Protection Association, and others.

Chattanooga Exchange Active

CHATTANOOGA, TENN., Jan. 20.—Secretary H. F. Wenning of the Chattanooga Insurance Exchange reports an active membership of 50. F. L. Gates is president of the association.

Florida Convention Set

The annual convention of the Florida Insurance Agents Association will be held at Jacksonville March 18-19. A comprehensive program is being worked out by the Jacksonville local board.

Arkansas Losses Up

LITTLE ROCK, ARK., Jan. 20.—Fire losses in Arkansas in 1936 totaled \$3,903,738, an increase of \$790,414 over 1935, according to the Arkansas Fire Prevention Bureau. The December loss was \$245,873 in 128 fires.

Stone New Orleans Head

NEW ORLEANS, Jan. 20.—L. A. Stone was elected president of the New Orleans Insurance Exchange at the annual meeting. He succeeds A. M. Savage, who was honored for his two years of service. Other officers chosen are L. M. Wise, vice-president; L. F. Braud,

(CONTINUED ON PAGE 25)

Our

Our efforts help our agents bring home to their customers the need for insurance. However, we never permit sales enthusiasm to lead us into the error of overselling. We want our assured to be properly protected, which means maximum insurance at a minimum cost. To reach this end, our fieldmen are trained and prepared to cooperate with agents in making complete analyses of their customers' insurance needs. You may be eligible to receive this service. Write.

SINCE 1854

THE PHOENIX INSURANCE COMPANY OF HARTFORD, CONNECTICUT

Cash Capital, \$6,000,000.00
Surplus to Policyholders, \$30,839,324.64

SINCE 1850

Connecticut FIRE INSURANCE CO. OF HARTFORD, CONNECTICUT

Cash Capital, \$2,000,000.00
Surplus to Policyholders, \$15,070,293.55

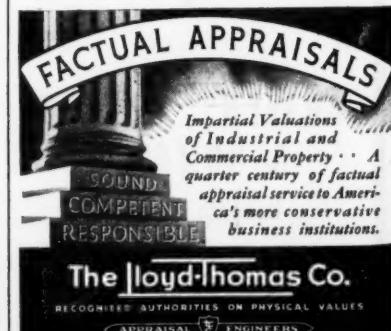
Sell

Sell a customer a policy in this company and you've sold him the best protection he can buy.

SINCE 1859

FOUNTAIN FIRE & MARINE INSURANCE COMPANY PROVIDENCE, R.I.

Cash Capital, \$1,000,000.00
Surplus to Policyholders, \$5,431,263.89



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Admitted Illinois 1921—California 1924
Trial of insurance matters in State and Federal Courts.

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Dunn, White & Aiken
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Oakland, California

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HUSTON
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Sacramento—California
Also Offices
Democrat Building
Woodland, California

NOLAND & SEGRETTI
Salinas National Bank Bldg.
Salinas—California

Equipped for investigations, adjustments, settlements of claims, trial of all insurance cases in State and Federal Courts in this territory.

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Co. Trial of All Insurance Cases in State and
Federal Courts.
Equipped for investigation and adjustments in surrounding territory.

HADSELL, SWEET,
INGALLS & LAMB
Financial Center Building—San Francisco
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Morse Erskine J. Benton Tulley
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Equipped for investigations, adjustment and settlements of all claims. Trial all insurance cases in State and Federal Courts.

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POND, MORGAN AND
MORSE
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& LOGAN
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Wilmington, Delaware
Specializing in Insurance and Corporation matters.

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327 Southern Building
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Equipped for investigations, adjustments, settlement of claims, fire, casualty, automobile, surety—trial of all insurance cases, Maryland, District of Columbia and Federal Courts.

FLORIDA

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GRAY & YATES**
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Equipped for investigations, adjustments and trial of all insurance cases in Northern Florida.

**EVANS, MERSHON &
SAWYER**
First National Bank Building
10th Floor
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Hartford Accident & Indemnity Co., All State Insurance Co., Sun Insurance Office Limited of London, and others on request.
Equipped for investigations, adjustments, settlement of claims, trial of all insurance cases, State and Federal Courts. In Florida.

MAGUIRE & VOORHIS
Florida Bank Building
Orlando, Florida
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Trial of all insurance cases in State and Federal Courts in this territory.

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Pensacola, Florida

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Equipped for investigations, adjustments and trial of insurance cases in State and Federal Courts.

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Trial of all insurance cases in State and Federal Courts.

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PINGRY & PINGRY
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Pittsburgh, Kansas

The Acta Group, Manufacturers & Wholesalers Indemnity Exchange, The Monroe Casualty Company, Indemnity Insurance Company of North America, The Gions Falls Indemnity Company.
Equipped for investigation, adjustment, settlement and trial of insurance cases over southeastern Kansas.

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LOUISIANA

McCoy, King & Jones
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Massachusetts Bonding & Insurance Company—others on request.
Equipped for Investigations, Adjustments, Settlement of Claims, Trial of all Insurance cases in State and Federal Courts in Central Nebraska.

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Equipped for investigations, adjustments, settlement of claims and trial of all insurance cases in State and Federal courts.

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A. J. FLETCHER

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E. F. Bernard
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DEY, HAMPSON & NELSON

800 Pacific Building
Portland, Oregon
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Theodore M. Bailey Roswell Bottum
Howell L. Fuller Ralph S. Rice

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Equipped for Investigation and Claims

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Alexander S. Coke Julian B. Martin
Rouser J. Coke Thomas G. Murnane
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(Continued next page)

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EGGERMAN & ROSLING

1824 Exchange Bldg.
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Trial of all insurance cases in State and Federal Courts in western Washington.

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483-84 Fourth & Pike Bldg.
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Equipped for investigations and adjustments and trial of all Insurance Cases in State and Federal Courts.

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E. L. Skeel
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Frank Hunter
Tyre H. Hollander
Laurence Booth, Jr.
Seattle

DANSON, LOWE & DANSON

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Maryland Casualty Co., U. S. F. & G. Co., and others on request.
Investigations and trial of all insurance cases in state and federal court.

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BONSTED & NICHOSON

Miller Building
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RUSSELL, HITESHAW & ADAMS

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800 Riley Law Building
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Equipped for investigation and adjustment. Trial of insurance cases in all courts.

WISCONSIN

STREHLOW & CRANSTON

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Equipped for adjustments, investigations and trial of cases.

GRELLE & SCHLOTTHAUER

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Equipped for investigations and adjustments. Trial of all cases in State and Federal Courts and before commissions.

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First Wisconsin Nat. Bank Bldg.
Milwaukee, Wisconsin
Special attention to the Law of Fire Insurance

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Superior, Wisconsin
NEW YORK CASUALTY COMPANY, AMERICAN SURETY COMPANY, MARYLAND CASUALTY COMPANY—others on request.
Equipped for investigations and adjustments and trial of all insurance cases.

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Late News from the Casualty Field

Interesting Accident Case Before New York Courts

The court of appeals of New York state has denied the application of the Equitable Life of New York for leave to appeal from the judgment against it in the case of Emanuel Klein involving an interpretation and construction of an accident and health policy with respect to limitation of coverage. The policy carried a provision to pay \$100 a week for disability but had a limitation that the payment was to be paid for a period "not exceeding 52 weeks either continuously or in the aggregate during the currency of this policy." Claims had been filed by the assured from time to time since 1921. The Equitable paid for 52 weeks in the aggregate but refused to make further payments on the grounds that the limit of 52 weeks had been exhausted.

A further provision permitted the assured to renew for a specific term of 12 months, and the policy was so renewed each year. After the issuance of the policy in 1921, no other policy was issued, but each year, a certificate of renewal was attached to the main policy. The company claimed that the words "not exceeding 52 weeks, either continuously or in the aggregate, during the currency of this policy," referred to the entire period from the issuance of the policy in 1921 to the present time.

This contention was disputed by the assured, who claimed that the 52 weeks' limitation referred separately to each renewal of one year, and that each such renewal should be considered as a separate and distinct policy.

The action had been decided in favor of the assured by the supreme court, and had been unanimously affirmed by the appellate division, so that the denial by the court of appeals of the Equitable's application for leave to appeal to it renders the decision final.

Service Plaque Unveiled

A heavy, bronze plaque, listing the names of all employees who have been in the service of the American Surety and New York Casualty for 25 years or more, was unveiled Monday afternoon in the foyer of the nineteenth floor of the American Surety building. Chairman F. W. Lafrentz spoke of the important part personnel had played in the companies' growth and the attainment of the respected position they occupy. Miss Anna E. Feist, who will have been associated with the American Surety 50 years Feb. 1, unveiled the plaque. Then followed brief talks by President A. F. Lafrentz and First Vice-president Richard Denning. The number of names under each group is as follows: 25 years, 36; 30 years, 48; 35 years, 22; 40 years, 19; 45 years, 2. Total 127.

To Honor John S. Turn

"To express their regard" for the fine contribution of John S. Turn, vice-president of the Aetna Life group in New York City, to the upbuilding of the casualty and surety business in the metropolitan territory for many years, a group of company representatives are sponsoring a dinner in his honor at the Hotel Plaza, Jan. 28. The committee on arrangements consists of T. J. Grahame, vice-president Globe Indemnity; John McGinley, vice-president Travelers; A. G. Oakley, vice-president United States Fidelity & Guaranty, and C. C. Gardner, vice-president Hartford Steam Boiler. Mr. Turn will retire from active business at the close of the present month, after serving his companies and the business as a whole most creditably for a long time.



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(CONTINUED FROM PAGE 20)
secretary, beginning his 17th year in office, and A. J. Coiron, treasurer, beginning his 15th year. New members of the executive committee are Mr. Savage, W. L. Ferguson and Anthony Dietlein, Jr., J. E. Eaves, F. D. Reilly and G. J. Wegmann who are holdover directors. Reports were read by Mr. Savage and by J. H. Bodenheimer, chairman of the finance committee.

Curtis Heads Helena Exchange

HELENA, ARK., Jan. 20.—Floyd Curtis of Curtis & Stone has been elected president of the Helena Insurance Exchange. E. R. Crum was re-elected vice-president and D. T. Harograves, Jr., was named secretary-treasurer.

Texas Losses Higher

DALLAS, Jan. 20.—Texas fire losses for 1936 probably were some higher than for the previous year. The loss ratio will certainly be higher, because reports indicate a large percentage of the losses were covered by insurance.

Dallas losses increased about \$100,000, while Fort Worth reported a decrease of more than \$140,000. Losses at Galveston and Houston were higher than a year ago. San Antonio losses, as well as those in most central south Texas, were held low. Losses in rural communities are reported higher. More farm homes, barns, churches and school houses burned last year than for some time.

Conference Committee Named

T. Ray Phillips, America Fore; Drew W. Whitehurst, Travelers Fire; Tom E. Earp, Fidelity & Guaranty Fire; Will S. Eberle, general agent, and Charles H. Cowan, National, have been appointed on the contact committee of the Oklahoma Fire Underwriters Association, to confer with a committee representing the Oklahoma Association of Insurers on problems connected with the "in and out" rule.

Change Atlanta Annual Meeting

ATLANTA, Jan. 20.—At the meeting of the Atlanta Association of Fire Insurance Agents Jan. 22, reports of Adna North, president, and other officers will be submitted, but it has been agreed that the annual meeting will be changed to Sept. 1, that the term and the dates may conform to that of the National Association of Insurance Agents and the Georgia association.

Fire and casualty company managers and general agents have been invited. An attendance of 25 agents and guests is expected.

New Exchanges in Oklahoma

Manager J. D. Saint of the Oklahoma Association of Insurers announced organization of the Sulphur Insurers Exchange, with Boyd Horsman, president, and J. C. Molder, secretary, and the Weatherford Insurers Exchange, G. M. Malvern, president, and J. O. Dickey, secretary.

San Antonio's Fine Record

The low loss record for San Antonio, Tex., which has been in evidence for several years continues. Every house was inspected by the fire department last year.

Adams Jacksonville, Fla., Head

Quinlan Adams was elected president of the Jacksonville, Fla., Insurers Association at the annual meeting, succeeding G. L. Simmons. Other new officers are: Vice-president, C. W. Blum; treasurer, H. R. James; secretary, R. C. Winstead; directors, M. N. Oberdorfer, E. S. Nobbs and Mr. Simmons.

San Antonio Agents Recognized

C. F. Dieter, president of the San Antonio Insurance Exchange, has been appointed chairman of the San Antonio chamber of commerce aviation committee. A. G. Randol, former president,

has been made chairman of the legislative committee; and C. O. Sawtelle, former vice-president of the exchange, and Evans Fitch, have been appointed chairmen of the fire prevention and insurance committees, respectively.

Must Report Gross Premium

RICHMOND, Jan. 20.—Fire companies operating in Virginia have been ordered by the corporation commission to file reports on total gross premiums for last year as soon as they are compiled. The figures will cover cities and towns only. The figures are used in determining a fair rate which is fixed by the commission.

Prevention Bureau in Houston

HOUSTON, TEX., Jan. 20.—A fire prevention bureau has been created by the city council at the request of Commissioner Frank Holton, who has been seeking for more than a year to have the bureau created. It consolidates the fire marshal's and arson investigator's offices, together with certain phases of the fire department, all under the supervision of the fire chief.

The bureau will enforce all laws pertaining to the prevention of fires, investigate the cause and circumstances of all fires, make periodic inspections of fire

hazards and conduct fire prevention campaigns.

Vandalism Rules Approved

RICHMOND, Jan. 20.—The New Explosion Conference rules on vandalism and malicious mischief, filed by the Virginia rating bureau, have been approved by the corporation commission.

Regional Meet at Stephenville

Problems of general interest to agents of that part of Texas were discussed at a district convention of the Texas Association of Insurance Agents at Stephenville.

Fisher Special Agent for Eberle

Carl Fisher has been appointed special agent for the Will S. Eberle general agency of Oklahoma City. He was formerly a local agent at Newkirk, Okla.

Southern Notes

A. J. Kilpatrick, Jr., investment broker, has entered the insurance business in Augusta, Ga.

L. J. Mothner, formerly a salesman for the Blanchard & Calhoun agency, Augusta, Ga., has entered business under his own name.

Will S. Eberle, Oklahoma City general agent, has been reappointed chairman of the fire prevention committee of the chamber of commerce.

vide for the payment of no commission. While such a restricted license would not be permissible under the present California law, some amendment may be sought.

Heretofore the three classifications of employes mentioned in the opinion have been operating without licenses under a ruling of the attorney general's office in 1933.

Utah Tax Commission Asks New Insurance Tax Setup

SALT LAKE CITY, Jan. 20.—The Utah tax commission has made a number of recommendations to the legislature affecting the insurance business. Reciprocals would be required to pay the same tax as other insurance concerns. Consideration should be given to the question of taxing fraternal insurance organizations, said the commissioner. Out-of-state companies would be required to post bonds guaranteeing payment of taxes on premiums collected from Utah citizens. The individual income tax law should also be changed in the opinion of the commission to permit the taxation of incomes from annuities. An inheritance tax would also, if the state's taxing authority has its way, be placed on the proceeds of life insurance above a stated amount, not named. Another would eliminate the property tax offset from the insurance premium tax.

Regional Meetings Planned for Agents in California

SAN FRANCISCO, Jan. 20.—The spring series of regional meetings of the California Association of Insurance Agents will commence Feb. 9 in southern California with four meetings at which President G. C. Appleton is to be the principal speaker, assisted by Frank Colridge, executive secretary. Meetings in the northern section of the state will occupy a week, around the middle of

PACIFIC COAST AND MOUNTAIN

Fire Department for County

Outside Organizations Operations Are Tied Up with the Los Angeles City Activities

The N. F. P. A. engineers met with the fire prevention committee of the Los Angeles chamber of commerce. They report that the problems of the committee are intimately tied up with the Los Angeles city fire department, and the fire affairs of the county. A county fire department under the county forester supervises a number of suburban fire protection districts and presents a fire department which ranks with the city fire departments of Los Angeles and San Francisco as one of the largest in the state. The principal municipalities in the county have their own fire departments, but there are many suburban fire districts where water supplies are poor and fire departments are poorly equipped and badly undermanned, or in which there may be no fire protection whatever. Some of the latter, according to the N. F. P. A., appear to be "chiseling" on adjoining protected districts for fire aid because of the lack of any formal arrangements for outside aid or mutual aid.

Questions on California Ruling

Attorney-General Holds Special Agents, Countersigning Employees and Managers Must Be Licensed

SAN FRANCISCO, Jan. 20.—Considerable discussion has been engendered and a number of questions raised by a ruling of the California attorney-general's office that licenses must be secured by special agents, who solicit alone or in the course of assistance of local agents; by employees who countersign policies but who remain at the office and do not solicit or negotiate, the countersigning being done as part of their routine work, and by company managers.

One of the questions which appears to be troubling agents and brokers is whether the issuance of such a license will not encourage the writing of business by special agents for their own accounts; also, whether it will not lend encouragement to the writing of business by office employees who are licensed.

The California Association of Insur-

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FIRE REINSURANCE TREATIES

Eagle Fire Insurance Company (NEW JERSEY)

Baltica Insurance Co., Ltd. (DENMARK)

Franklin W. Fort

Thomas B. Donaldson

18 WASHINGTON PLACE, NEWARK, N. J.

February, with D. B. Goldsmith, vice-president, in charge.

Discussion will center largely on legislation, with a review of bills before the legislature affecting insurance. It is not expected that the association will initiate any measures, in line with the decision of the directors at their last meeting, but rather that it will work with Commissioner Carpenter for the enactment of a number of measures embodying needed reforms. It is expected that the association will be actively behind a bill to increase the present agency license fee from \$2 to \$4 to give the department additional money for "police powers." In this doubling of the fee, it is understood the fire and casualty agents will be joined by the life men, who appear to be in favor of a raise in their license fee from \$1 to \$2 for the same purpose.

The association will also be active in opposition to the threat of compulsory automobile liability insurance, which promises to become one of the outstanding factional fights at the legislature this session, with one bill already introduced and five more in the offing.

Shingle Roof Hazards Seen in Berkeley, Cal., District

The N. F. P. A. reports that at Berkeley, Cal., although the losses are very low, 18 cents per capita, 35 percent of the fires are due to sparks on wood shingle roofs which are the cause of 40 percent of all fires in buildings. The fire and buildings departments are effectively reducing the proportion of combustible roofs. In the last four years, of 2,171 roofs applied, 1,800 or 83 percent are fire-retardant. The people have the 1923 conflagration in mind. Areas of woodland toward Wild Cat Canyon, from which the conflagration came, have been cleared for golf courses and park land which will provide an effective firebreak.

The city manager hopes for an early completion of a new group of fire de-

partment buildings, the purchase of a new aerial ladder, a new squad wagon and smoke blower. He urges the gradual replacement of old fire department equipment and wants added fire department personnel, five additional men.

California Legislative Committee

Two local agents and a San Francisco broker are on the assembly insurance committee in the California legislature. They are H. B. Scudder of Sebastopol, for many years active in the California Association of Insurance Agents; H. P. Meehan, Oakland local agent, and T. A. Maloney, prominent member of the Insurance Brokers Exchange of San Francisco. H. F. Sawallisch, Richmond attorney, newly elected member of the assembly, is chairman of the committee.

Only one insurance man is on the senate insurance committee—J. L. Seawell of Roseville, local agent.

Commissioner Now Agent

George A. Brown, until recently assistant secretary and insurance director of the Arizona corporation commission, has gone with the Arizona branch of the Occidental Life of Los Angeles at Phoenix, Ariz. Mr. Brown was insurance director of the state for six years.

Oregon 10-Year Figures

SALEM, ORE., Jan. 20.—A report of the Oregon Insurance Rating Bureau covering the 10 years, 1925-1934, shows average loss ratio of the member companies as 54.3 percent, while the expense ratio is 41.22. This makes a total of 95.52 percent and shows over the ten years a profit of 4.4 percent.

Would Insure State Buildings

SALEM, ORE., Jan. 20.—Leading members of the Oregon Insurance Agents Association state that an amendment to the Oregon insurance code will be prepared and submitted to the legislature now in session, providing for insuring the state's buildings and equipment.

Two New Colorado Officers

H. N. Shellenberger of Colorado Springs is made secretary of the Colorado Association of Insurance Agents succeeding Winifred Haigler. D. U. Hampton, vice-president of the Colorado Investment & Realty Company of Colorado Springs, becomes treasurer succeeding Frank Cotten, Jr., of the same city.

Zappone Succeeds Dempsey

SPOKANE, WASH., Jan. 20.—H. N. Dempsey, adjuster for the Aetna Fire here, has resigned to join the Fire Companies Adjustment Bureau in Tacoma. Frank L. Zappone will succeed him here.

Women Hear Talk on "G-Men"

The first 1937 meeting of the San Francisco Insurance Women's League was held Jan. 18 with W. L. Listerman, special agent in charge of the federal bureau of investigation, U. S. Department of Justice as the principal speaker, on "G-Men."

Historical Talk to Legion Post

Lewis Byington, San Francisco attorney and authority on early history of the state, discussed the life of General Fremont at the luncheon meeting of Insurance Post 404 of the American Legion Jan. 21. B. F. Springsteen, commander of the post, presided.

Pacific Coast Notes

Fire of undetermined origin caused more than \$100,000 damage to firms and institutions in the Heber City Mercantile Company building, **Heber City, Utah.** Most of them were insured.

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We will pay \$1.00 for each arrester sold by local agents. Plans for sales of large quantities can be worked out advantageously—Inquiries are invited.

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THE NATIONAL UNDERWRITER

EASTERN STATES ACTIVITIES

Smith Philadelphia Manager

North America's Assistant Secretary
Feb. 1 Takes Charge of City Fire
Department

Bradford Smith, Jr., assistant secretary of the North America, has been selected to head the Philadelphia city fire department. He is a Philadelphian by birth, attending Haverford school and later Dartmouth, starting insurance work in the office of Leonard M. Addis & Co., Philadelphia, as clerk in the rating department.

He became connected with the North America in 1926 through Robert Hampson & Son, Montreal, general agents for the North America in the Dominion. He organized the engineering department of that office and later handled brokerage and service. In 1929 he returned to the United States, representing the North America as state agent in the field centering at Newark. He went into the home office in 1934 as general agent and was recently elected assistant secretary of the North America group.

Mr. Smith will retain his official status and at the same time serve as manager of the fire business of all North America companies for the city of Philadelphia, taking up his new duties Feb. 1 in the city office at 232 Walnut street, Philadelphia.

Awaiting Financing Decision

New York Insurance Department Will
Announce Its Position in Course of
Few Days

NEW YORK, Jan. 20.—Decision as to whether that feature of the financing plan of the First Bancredit Corporation of St. Paul for policy cancellation on a pro rate basis, violates the law of this state, may be expected within the next week or ten days. Deputy Superintendent R. M. Clark, before whom the public hearing on the issue was held Jan. 11, is attentively studying the stenographic report of the arguments presented at the gathering by proponents and opponents, as well as the contract forms and correspondence from local agents and the financing corporation. As Mr. Clark, as well as Superintendent Pink, is a lawyer; as each is thoroughly informed as to insurance law and practice in New York, it is assumed that they will be able to reach a decision without referring to the attorney general.

Syracuse U. Museum Loss Proves Difficult to Value

Syracuse University scientists are slowly salvaging a portion of the valuable collection of museum specimens that were threatened with total destruction when fire swept Lyman Hall at Syracuse University last week. The museum of natural science located on the top floor was gutted, damage being in excess of \$200,000 to building and contents.

There were museum specimens from many parts of the world accumulated by the university over a long period, many being irreplaceable. Fred McManus, head of the Fire Companies Adjustment Bureau in Syracuse, who is handling the loss, stated the task of determining value of the destroyed objects is difficult.

An appraisal list of a famed mineralogical collection made by the late Dr. Charles H. Richardson, former head of the geology department of the university, is proving helpful to adjusters in making inventory and valuation. Insurance is reported to be about \$45,000 on

the museum exhibits. The total schedule, all in stock companies, totals nearly \$7,000,000.

Many New England Agents Receiving Political Honors

BOSTON, Jan. 20.—Political honors and responsibilities are falling on a number of well known New England insurance men. W. H. Wills of the Wills Agency, Burlington, Vt., has been sworn in as lieutenant governor of Vermont. C. W. Varney, Jr., son of the well-known Rochester, N. H., local agent and association leader, has been appointed chairman of the insurance committee of the New Hampshire house. He is only 24 and graduated from Dartmouth last June.

In Maine, Belmont A. Smith of Bangor, vice-president of the Blake, Barrows & Brown agency, becomes state treasurer. Reelected as a representative, Mr. Smith resigned to run for state treasurer. He was also formerly in the governor's council. Massachusetts' governor, Charles F. Hurley, has been for some years an insurance agent in Cambridge.

Fire Losses in N. J. Show Decrease from 1935 Total

NEWARK, Jan. 20.—The estimated fire loss in New Jersey for 1936 was \$5,168,000, substantial decrease from the previous year and lowest for five years. Paid losses, as given by the New Jersey department, totaled \$6,936,931 in 1935, \$9,729,696 in 1934, \$8,180,700 in 1933, and \$13,103,666 in 1932.

Noticeable factor has been the decrease in dwelling fires. Five years ago this particular risk, which had always been considered "cream business," was setting the pace in fire losses and began to show such an upward trend that companies were thinking seriously of increasing rates for this particular type of risk. Hotel fires, which were a close second to the dwelling losses, also have shown a downward trend.

Mercantile losses have been gradually increasing, not in large amounts, but just enough to worry the companies.

Peabody, Mass., Loss Record

The fire prevention committee of the Peabody, Mass., chamber of commerce has held a meeting to assist in planning a program for improving the unfavorable fire loss record. It will work for a new building code and improvement of the hazardous structural conditions.

High Civic Standard at Erie

Erie, Pa., has a high standard of civic interest in fire prevention, says the N. F. P. A. Improvements made include the operation of a fire department training school at the drill tower, fire department radio, extension of water distribution systems and increase of the fire alarm operating staff.

New York Senate Committees

The New York senate committee on insurance is headed by Duncan T. O'Brien, New York City insurance broker. Other insurance men on the committee are John T. McCall, New York City, and James A. Garrity, Yonkers. Senator Garrity is also a member of

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100 Southport Ave. Chicago, Ill.

MANDAMUS ISSUED IN RECIPROCAL CASE

(CONTINUED FROM PAGE 5)

after Mr. O'Malley had taken charge of the company as receiver.

One of the grounds on which Rankin-Benedict bases its plea for relief is that it is in the position where, if it insists that the change of venue motion be acted upon, it cannot oppose Mr. Coates' motion; if it opposes Mr. Coates' motion rather than insisting on the venue change, it would forfeit its right to support the venue change.

Rankin-Benedict asks that the supreme court compel Judge Bird to grant the change of venue. If that is denied, it wants the court to have the circuit judge at least rule on the application for venue change before passing on Mr. Coates' motion, because a denial of the change would, in the opinion of counsel for Rankin-Benedict, constitute error on the part of the court.

SUBSCRIBERS ACT

KANSAS CITY, Jan. 20.—Five former subscribers of the Manufacturing Lumbermen's Underwriters, acting for themselves and for other former subscribers at the exchange, have filed a petition in the circuit court intervening in the receivership action of Superintendent O'Malley of Missouri against MLU, Rankin-Benedict, its attorney in fact, and subscribers at the exchange.

Ex-subscribers assert that there is over \$300,000 in credits due them at the exchange which never have been returned to them. Their petition asks the court:

- To determine the amounts due them from "any and all assets" of MLU, together with interest at 6 percent from the respective dates of their withdrawal from the exchange.

- That this amount be "declared a trust fund of which these intervening subscribers and others similarly situated are the sole beneficiaries."

- That the trust fund be segregated from other assets and funds of MLU and that the custodian of the fund be directed by the court to hold it exclusively for the use and benefit of former subscribers—"free and clear of the claims of all other persons whomsoever," and to pay over to each of these interveners and others similarly situated the sum or amount to which each respectively is entitled.

Separate Accounts

The petition points out that each of the former subscribers, whose contracts "expired or were cancelled or terminated prior to the institution of this proceeding," signed powers of attorney at the exchange. These powers provided, among other things, that accounts should be kept for each of them by Rankin-Benedict, and that upon the revocation or cancellation of any power of attorney and the termination of the insurance, not only should "all unexpired indemnity exchanged thereunder be forthwith cancelled," but "as soon thereafter as might be determined, any and all funds belonging to these interveners" and to other former subscribers, "including any net surplus to" their credit, "should be forthwith returned" to them.

As the interveners had withdrawn from the exchange, the insurance was terminated, and the respective powers of attorney cancelled or revoked. It thereupon became the duty of Rankin-Benedict to return to each of the former subscribers any and all funds, including net surplus, belonging to them, it was stated.

Interveners are the Lutcher-Moore Cypress Lumber Company, Louisiana; Dubach Mill Company of Louisiana; Newell Lumber Company, Ltd., Eunice, La.; Pauline Sterne Wolff Memorial Home, Houston, Tex., and Roberts & Oliver of Amarillo, Tex.

The action was filed by Daniel V. Howell and John Madden.

Interveners are old subscribers, out of the exchange from three to 10 years, all of whose unused surplus deposits never have been returned to them, though under the power of attorney, as soon as the insurance is cancelled or expires, they are due and returnable immediately.

If the allegations of the petition are true, then the aggregate of these credits, over \$300,000, would have to come out of the reciprocal's surplus, to which the eight advisory committee subscribers of the exchange already have laid claim in circuit court, in their "answer." This surplus is said to have been only about \$400,000 on Oct. 31.

Rehabilitation Considered

Hope still is held by one group of interests involved in the legal and financial tangle surrounding the Manufacturing Lumbermen's Underwriters that the exchange can be continued, either as a new exchange or with the present setup modified to a strictly lumber reciprocal, with the general, non-participating business replaced or reinsured.

This hope springs from the strong sentiment of lumbermen who are subscribers or who were up to the time the exchange got into difficulties along in October and early November. While there was a heavy cancellation of lumber accounts before the exchange went into receivership, 90 percent of the lumber companies that did cancel their coverage, it is said, have indicated definitely their desire to see the exchange rehabilitated, or a new exchange organized to take over MLU's lumber business, possibly with some of the Rankin-Benedict organization as management. The companies have, it is reported, expressed a willingness to support such a setup.

Examination Plan to Be Followed

(CONTINUED FROM PAGE 3)

consin, Minnesota, Iowa, North Dakota, South Dakota.

5. Texas, Arkansas, Oklahoma, Kansas, Nebraska, New Mexico, Colorado, Wyoming.

6. Washington, Oregon, California, Montana, Idaho, Utah, Arizona, Nevada.

"The committee authorized Chairman Read to name a chairman in each zone who would have the responsibility of selecting a representative to act in behalf of that zone in any convention examination in which such zone is to participate. Mr. Read appointed the following: (1) J. C. Blackall, Connecticut; (2) R. L. Bowen, Ohio; (3) R. E. O'Malley, Missouri; (4) H. J. Mortensen, Wisconsin; (5) A. J. Ham, Wyoming; (6) Hugh H. Earle, Oregon.

Convention Examination Procedure

"Chairman Read will send to all members of the association detailed information regarding the procedure which is to be followed in calling and conducting convention examinations, in accordance with the plan adopted by the National association. In the examination of the Metropolitan Life three zones will be asked to send one representative each to work on the examination at the home office. In addition, another zone will be asked to send a representative to the San Francisco office of the company and a fifth zone will send a representative to the Ottawa, Can., office. One representative will be chosen to represent the committee in the examination of the Home Life of New York."

There was a large attendance at the Chicago meeting, there being 17 representatives of 11 states. Those present were Ernest Palmer, director; Roy L. Davis, assistant director; S. W. Young, attorney Illinois department; L. H. Pink, superintendent; R. M. Clark, first deputy; N. B. Hadley, chief life examiner, New York; Jess. G. Read, commissioner

of Oklahoma; George A. Bowles, commissioner Virginia; R. E. O'Malley, superintendent Missouri; H. E. McClain, commissioner Indiana; D. R. Roche, chief examiner Pennsylvania; M. V. Pew, deputy commissioner Iowa; John Sharp Williams, commissioner Mississippi; R. L. Bowen, superintendent, and Claude A. Beals, chief examiner Ohio; H. H. Earle, commissioner Oregon; A. J. Ham, commissioner Wyoming.

The question might arise as to whether at the Chicago meeting anything definitely new was agreed upon that had not been understood at the meeting at Hot Springs, Ark. At the Arkansas meeting Superintendent Pink explained that under the present New York law no examination could be called "official" unless it was conducted by the New York department and the examiners were under civil service rules. Other states do not have civil service requirements. Mr. Pink stated that his department at the close of an examination would be glad to submit it to other departments and they could make any further inquiry they desired and could go into any subject more fully if they felt it needed.

At the Chicago meeting, however, other departments were allowed to participate, so to speak, in the examination and the first will be the Metropolitan Life. It is expected by the time of the annual meeting the machinery will then be in better organized state and there may therefore be a more certain course pursued. New York was confronted with the alternative of having independent examinations by outside departments unless it would agree to some form of definite participation. Seemingly the Chicago meeting was successful in bringing about a better understanding so that independent examinations will not be made.

Walker Distillery Case Is Won by the North America

(CONTINUED FROM PAGE 12)

a lot of flood lights around the west end, and men engaged in the work of shoring up the wall.

His testimony was that the wall from the first floor to about the third seemed to bulge out, "as if pushed by a giant hand," and that he heard a loud noise which he thought was the roar of the building coming down. He saw the roof settle down and the warehouse was almost immediately in flames.

When the defense began reading its depositions a contest arose over its right to read certain questions and answers. The jury was withdrawn and the question was argued.

Nearly all the witnesses to the actual loss were employees of Hiram Walker & Sons, or of the architects, or of the contractor. They could not be produced in person because they live more than 100 miles from the court and therefore cannot be brought in by summons. So far as the defense was concerned, their testimony had to be taken by deposition.

The plaintiff objected that the defense could not impeach its own witnesses, and could not claim "surprise," because they learned in November, when the depositions were taken, what the witnesses would say. The defense contended they had the right to refresh the recollection of the witness.

Judge Barnes ruled that they could not impeach the witness, and could not claim "surprise," but where the questions appeared to be asked in good faith for the purpose of refreshing recollection, he would permit the reading of the question and answer.

The effect seems to be that where the witness does recall the statement made immediately after the fire, and testifies to the same thing after having his recollection refreshed, the question and answer are admissible, but where he continues to contradict the statements made after the fire, the question

and answer in the deposition cannot be read.

On Wednesday the defense put on the stand as an expert witness D. B. Rush, a civil and structural engineer, who was manager of the material testing division of R. W. Hunt & Co., Chicago. Mr. Rush visited the ruins on Aug. 8, 1935, at the request of the Western Adjustment and made a study of plans and of what could be seen in what was left of warehouse No. 3.

Mr. Rush said the brick in the outer wall appeared to be of good quality and well laid. The brick in the interior of the wall was also of good quality and the mortar was of good quality, but soft, because there had not been time for it fully to harden. However, the inside bricks were double size and owing to this size the headers from the outside course did not fit and had been cut in two. A header is a brick laid across two courses every little ways in order to bind them together. Thus this sort of binder appeared to be lacking, at least in part. Furthermore, while the bricks were mortared horizontally, mortar was lacking in the vertical interstices and were in many cases not filled with mortar and sometimes the inner bricks were so close together that no mortar could have been put between them. He expressed the opinion that the wall was much weakened by this construction.

Insurance men listening to the case observed with interest the testimony of Vice-president Wilkie in charge of the Walker plant at Peoria. Mr. Wilkie testified that owing to the leakage of whisky the air in a barrel warehouse becomes impregnated with alcohol and an explosive or inflammable condition results. He said the danger is so well recognized that no tools are used which would cause sparks. The tools used are of rawhide or copper or wood. This is to prevent fire or explosion in the warehouse from sparks caused by tools.

Insurance Needs to Meet the New National Order

(CONTINUED FROM PAGE 3)

forms and isolated rates do not appear properly to measure the hazard.

"In these endeavors, the business of insurance, as I view it, is to bring about an adaptation which will properly, adequately and economically meet this new order of things in such a way that the business may claim that it has done its full part in carrying on during this reconstruction period.

"If, on the contrary, insurance shall stand pat on precedents that have been established over the years, it would appear that the gap cannot be bridged, which may altogether be an unfortunate record to establish. If, when the history of these times shall come to be written, it can be said of insurance that it has fully and entirely responded to the needs of the present age; that it has fulfilled its duty in the modern tempo; that it has met the test now being placed upon it; and that as in the past it has risen to new responsibilities fully and completely, then we will have established or reestablished the confidence of the citizenship of the nation in a great business, that can but redound to the credit and honor of all those connected therewith."

Alfred M. Best, president of the A. M. Best Company of New York discussed "Analyzing the Statements of Insurance Companies." C. E. Gauss, newly appointed insurance commissioner, made his first public appearance at an insurance meeting since his recent appointment and discussed the business of the department as it applies to fire and casualty insurance and agents' interests.

Directors were elected at the meeting and within the ten days will select the officers for 1937. John F. Cole, now president of the association, presided. A. I. Dreifus is vice-president. C. W. Wilson, treasurer, and T. J. Hennes secretary.

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The NATIONAL UNDERWRITER

January 21, 1937

CASUALTY AND SURETY SECTION

Page Thirty-one

Compulsory Plan Deemed Dangerous

Much Concern Over Statutory
Proposal to Assign Com-
pensation Risks

MINNESOTA BILL FILED

Another Similar Proposal Reported in
Illinois; Idea Is Worrying
Company Officials

One of the most harmful principles that politicians and labor interests ever have attempted to impose on insurance institutions is embodied in the compulsory assigned risk workmen's compensation plan contained in a bill filed in the Minnesota legislature, threatened in the Illinois legislature and which probably will appear in many other assemblies this year. Inevitably such a plan would include not only workmen's compensation, but occupational disease coverage, since the two are inseparable.

Compensation underwriters see great danger in the compulsory assignment plan if embodied in statutes without right of examination by the company of workers of doubtful medical soundness, although some feel that the plan of the National Council on Compensation Insurance proposed for Illinois, to which signatures of all companies operating in the field are being sought, would not be harmful if enacted in law on a compulsory basis.

Rejected Risks Problem

The problem of rejected risks, not only workmen's compensation but occupational disease, must be met by the companies, state authorities and labor and employers jointly. The companies' only objection is to the proposal that they assume all the accumulated liability of the long period in which industry has not taken care of its occupational disease sufferers. They feel that a compulsory plan is a public responsibility and not one of the casualty companies; that it is nothing more nor less than an attempt to provide social security at the expense of the carriers.

Minnesota Results Given

This perhaps could be done but there must be an adequate rate, otherwise the carriers will be heavily penalized. There is no way of estimating what the proper rate should be for accepting all liability for occupational disease that has accumulated. One underwriter said this rate might as easily be 50 times the present rate in more hazardous dust occupations as two or three times.

In Minnesota during 1936, 552 assignments of rejected risks were made by the Minnesota Compensation Rating Bureau as compared to 696 in the previous year. A new system of assigning risks has been in effect in that state since Oct. 1, 1935. Manager J. E. Reynolds of the

(CONTINUED ON PAGE 42)

Deficient Ground Facilities May Be Causing Air Crashes

Six commercial airline crashes which have occurred within the last 30 days, including the recent one which cost the life of Martin Johnson, famed explorer, apparently have been disastrous to aviation underwriters and may have precipitated a situation which will require upward revision of rates.

Final figures on all these six disasters are not available, but aviation underwriters say the total bill for deaths, personal injuries and damage to the planes will be not less than \$700,000 and possibly considerably more, due to the fact that in the last crash near Los Angeles six passengers and the crew and hostess were not killed, but were badly injured. In such cases juries consider the life expectancy of the injured persons, loss of income-earning ability, pain and anguish, the bill coming to considerably more than if they were killed outright.

Bad Weather Is Blamed

Airlines are given a clean bill of health by authorities so far as operations and equipment are concerned in these six accidents. Bad weather undoubtedly was responsible for most of them.

This, however, serves to point the moral about which aviation underwriters, airline operators and the Department of Commerce are doing a great deal of thinking today—bad weather is frequently encountered and some method must be devised for making airplane operation safe in spite of the elements. As a matter of fact, the means is available, but it has not been employed except on a limited scale. Although the public has the idea that airlines "ride the beam" continuously, the fact is there is scarcely a route without gaps, and these gaps are reported to represent about 25 percent of the mileage of all commercial air routes in the country.

National Project Drafted

The Air Transport Association of Chicago, made up of virtually all airlines, with the Department of Commerce has perfected a program of airport and air route modernization and completion proposed to be carried out by the government at an estimated cost of \$11,000,000 for directional radio beacons and other ground equipment, and \$2,000,000 for aviation weather observations. This project has been approved, although most of the appropriations for it is lacking. The airlines are doing their part to make commercial aviation in this country thoroughly modern and safe, having an appropriation of another \$11,000,000 for equipment, mainly new planes, for the fiscal year, whereas the government appropriation for modernization of routes for the fiscal year ending July 1, 1937, is \$882,000.

Expect Action This Year

According to Colonel Edgar S. Gorrell of Chicago, president of the association, the chances of passage of an appropriation for all or a substantial part of this modernization of the radio end of flying in the present Congress are very optimistic. Colonel Gorrell states, "The art of flying is now ahead of airway aids, whereas up to 1933 the air-

way aids were ahead of flying technique."

Only 45 air passengers were killed all last year, but 16 of these were killed in the six recent crashes. The airlines carried approximately 1,100,000 passengers last year, therefore proving themselves a safe transportation medium in spite of great publicity given these recent accidents.

There were 12 persons killed in the crash of the United Airlines Boeing near Newhall in the hills near Los Angeles in December, and Martin Johnson and three others were killed in a Western Air Express Boeing which came down near the same spot Jan. 12, carrying 10 passengers. A Northwest airline Lockheed Electra mail plane crashed in Idaho Dec. 18, killing the two pilots, there being no passengers. Six technical men and pilots of Braniff Airlines were killed during a test flight at Dallas Dec. 23 in another Lockheed Electra.

Other Disastrous Crashes

Eastern Airways had a lucky accident in New York state with a big Douglas plane which landed in the mountains with little damage save to the plane. A Boeing of Western Air Express with seven persons aboard, including the crew, has been missing since Dec. 15 somewhere in Utah, all undoubtedly being dead.

Associated Aviation Underwriters was on four risks, the first crash near Los Angeles, the Northwest Airways plane,

(CONTINUED ON PAGE 42)

Joe Futz Anticipates an Important Assignment

EIGHTY-FOUR, PA., Jan. 20.—Joseph Futz, forceful insurance man in this section, stated today that he fully expected to be given a prominent place on the program Feb. 15 at Pittsburgh when the celebrated Pittsburgh Insurance Club exercises will be held and which attracts insurance men of renown from all sections. It so happens that Charles Heintz Bokman of Pittsburgh, executive general manager of the New Amsterdam Casualty in western Pennsylvania, is chairman of the program committee. Mr. Futz represents that company at Eighty-Four and is highly regarded by Mr. Bokman and the chief executives at Baltimore. His business has been very profitable. He has letters from President J. Arthur Nelson and other executives which he prizes highly. Inasmuch as Mr. Futz had Mr. Bokman speak at his policyholders' watermelon picnic last August and also he will be one of the chief figures at the dedication of the Futz office building here next Wednesday evening, Mr. Futz expects in return that Mr. Bokman will assign him a place of distinction on the speakers' program at Pittsburgh, the banquet to be held in the magnificent William Penn Hotel. Mr. Futz has suggested to Mr. Bokman that he could present some startling facts that would be hair

(CONTINUED ON PAGE 41)

Central Mutual in Claim Difficulties

Unusually Large Number in Suit
Is Found by Receiver
Miller

WILL NOT DEFEND CASES

Assured Being Notified to Guard Them-
selves; Assets Inventory, Claim
Tabulation Are Started

A difficult situation this week faced Receiver Henry G. Miller of the Central Mutual of Chicago and the Illinois liquidation bureau due to the unusually large number of claims in suit scattered over the many states in which it operated until it was closed up last week by court order referring it to the receiver for liquidation.

Receiver Miller stated this week that he had no funds with which to pay attorneys' fees for the hundreds of assured facing claim suits, and therefore he has decided not to defend any claims as provided in the contracts covering against legal liability. Mr. Miller stated there were at least 600 claims outstanding, but reports from various sources place the number as high as 1,100.

Report 65 Percent in Suit

One reliable informant estimated there were about 1,000 public liability claims alone, and in addition there were expected to be filed, if not already, many claims under property damage and other coverages that the mutual wrote. One report was that there were about 400 claims in suit in Kentucky alone, a state in which the mutual did a great deal of business.

The same informant stated that a claim man of the Central Mutual of Chicago told him there were at least 1,000 claims, of which about 65 percent were in suit. One instance was cited of a "clear liability" P. L. case that could have been settled for \$1,500 but was allowed to go to suit, with rendering of a judgment of \$5,000 to the claimant.

To Seek Order on Claims

Receiver Miller stated that shortly he would go before the court to seek an order fixing the time limit for filing claims and setting forth procedure. It is probable the order will stipulate that claims be filed with the receiver. Notice will be sent to all known claimants.

File Report on Examination

Examiner O. W. Meriwether of the department presented to Director Palmer a report on financial condition of the Central Mutual of Chicago, showing income and disbursements from Jan. 1, 1936, to and including Dec. 31. Ledger assets, as per balance Dec. 31, 1935, were \$1,172,956.

Income items included: Auto fire \$19,646, auto liability \$1,609,774, auto theft (CONTINUED ON PAGE 30)

California Acquisition Cost Conference in Annual Meet

PAY TELLS OF COOPERATION

Definite "Money-in-the-pocket" Value Shown Says Chairman—Harmony Is Maintained

SAN FRANCISCO, Jan. 20.—Three years of operation of the California Casualty Acquisition Cost Conference has shown a definite "money-in-the-pocket" value to members in addition to peace of mind, Rollo E. Fay, chairman, declared at the annual meeting in San Francisco. While \$300,000 had been figured as the money value of the conference to the membership in 1935, Mr. Fay is convinced this figure understated the case and that figures for 1936 will run considerably over this amount.

The conference has been eminently successful in stabilizing conditions and has created harmony between San Francisco and Los Angeles managers. Mr. Fay complimented the members for their cooperation and the absence of complaint against the conference. "After three years," he said "we have yet to hear a member, when cramped by interpretations of the rules he voted for, try to brow-beat the conference under threat to pick up his marbles and go home. As time goes on it becomes increasingly doubtful that any self-respecting home office would entertain suggestions of resigning on some slight or trumped-up pretext or some selfish excuse where 'it isn't the money but the principle of the thing.' You can," he said "call this carrying on in the spirit of give-and-take which is the spirit that made the formation of the Conference possible in the beginning."

Stresses Board's Cooperation

He stressed also the cooperation of the Pacific Board which adopted a resolution of cooperation with the aims of the conference in 1934. "Since that time," said Mr. Fay, "no complaint has ever been made that any fire office has violated the pledge which all signed not to pay out more than producers' commissions on the casualty portion of policies written in conjunction with our members."

Members of the governing committee elected were as follows: Globe Indemnity, Phoenix Indemnity, Pacific Indemnity, Maryland Casualty (succeeding Ocean Accident) and Fidelity & Casualty (succeeding Hartford Accident).

The southern California section of the conference will meet in Los Angeles Jan. 25 to elect representatives to the governing committee and to hear the report of Chairman Fay. Present members of the committee from southern California are: United States Fidelity & Guaranty, Aetna Casualty and New York Casualty.

Inter-Ocean Casualty Report

The Inter-Ocean Casualty of Cincinnati, had assets of \$549,193 Dec. 31, 1936, an increase of \$76,142 over 1935. Policyholders' surplus \$230,045 represented a gain of \$30,533. A \$7,500 contingency reserve is carried. Premiums totaled \$1,305,481, including \$279,895 weekly accident and health and \$1,025,586 commercial accident and health. Total claims paid were \$831,411 including \$515,027 commercial accident and health claims, \$11,093 weekly death claims and \$95,291 weekly benefits.

Pittsburgh Association Elects

At the monthly meeting of the Casualty Association of Pittsburgh, the following officers were elected: President, W. E. Stumpf, Massachusetts Bonding; Vice-president, H. P. Schewe, New Amsterdam Casualty; secretary-treasurer, Herbert Nickels, United States Fidelity & Guaranty.

LEGISLATIVE DIGEST

AUTOMOBILE LIABILITY

Massachusetts—The compulsory automobile liability insurance act is the target for various bills, ranging from measures to have the law repealed, to substitute for it a financial responsibility law, or to substitute a state fund. Representatives Irwin and Higgins ask a fine of \$2,000 against companies refusing to issue a liability policy to any person possessing a driver's license. They also want a flat compulsory automobile liability rate. Representative Foley seeks a substitute for the compulsory act in form of a liability fund to be raised through an excise tax on gasoline. He also asks for a commission of three representatives, one senator and three other men from public life, to study the question of repeal and the establishment of the fund.

California—The Daily assembly bill would give the industrial accident commission control over automobile liability insurance. It provides that the state compensation fund shall be enlarged to write the automobile liability insurance in competition with private companies. The insurance commissioner and the industrial accident commission would be given control over rates and classifications and would, through the present provisions of the compensation law, allow all insurers to write participating insurance such as that now permitted in compensation. The insurance commissioner would be permitted to set up a system of merit rating for risks. It is understood that five measures calling for compulsory automobile liability insurance are now in preparation.

COMPENSATION

Massachusetts—Representative Irwin has filed a bill to increase the minimum from \$9 to \$11 and maximum compensation payments \$18 to \$20 to longshoremen.

Michigan—An occupational diseases bill being framed by E. B. Reese, Saginaw attorney, provides for extension of the number of diseases included under the law as recommended by the special commission. The bill will allow the department of labor and industry, after public hearing for establishment of necessity, to add from time to time new ailments which are proved by adequate medical testimony to be of an occupational nature.

Indiana—House bill No. 12 seeks to amend the compensation act by providing that awards for specific loss shall be in addition to that for temporary disability. At present specific loss compensation is in lieu of all other compensation. House bill No. 2 seeks to increase from 30 to 60 days medical and hospital services given injured employees and increase from 60 to 120 days the period for which the industrial board may order such services.

SURETY

Indiana—House bill No. 4, seeks to establish a fund for public officials and employees.

Indiana Club to Elect

At the monthly meeting of the Casualty & Surety Field Club of Indiana President Duke Curry appointed F. P. Davis, Travelers, and H. E. Schornstein, New Amsterdam Casualty, as a nominating committee to report at the February meeting when the election will be held.

Study Compulsory Plan

NEW YORK, Jan. 20.—Anticipating the introduction in numerous legislatures within the next few months of bills proposing compulsory automobile liability insurance, casualty company executives are giving attentive study to the general subject at this time.

Expect Decision on Illinois O. D. Assignment Plan Soon

SEVERAL REPLIES RECEIVED

Companies Not Disposed to Write Coverage Without Right of Medical Examination

NEW YORK, Jan. 20.—All casualty companies represented in Illinois, it is anticipated, will declare their attitude toward the proposed occupational disease assigned risk plan for that state within the next ten days. Responses to the recent communication requesting such information have been received from a limited number of offices and all others should be heard from within a short time.

The proposition of the carriers stipulating their willingness to accept risks assigned by the Illinois industrial commission providing they will be entitled medically to examine employees exposed to the silicosis and asbestosis hazards, though reported as being acceptable to the commission has not been verified in writing by that body. The companies hold it is unfair to require them to cover employees that have been exposed to the hazards mentioned for a number of years because of the strong possibility they have been affected to a considerable degree.

Companies' Counter-proposal

They would assume such risks, however, if assured would make a down payment sufficient to carry the impaired risks. The reservations proposed by the carriers being unacceptable to the industrial commission, that body is insisting the original plan be adopted in its entirety, and companies have been asked to declare their final attitude to this original plan.

Should the arrangement prove acceptable, risks would be assigned by the commission in proportion to total premium writings of companies in Illinois; that is, while the giant institutions would be required to assume a larger number of risks than their smaller competitors, the percentage assignment would be the same in each case.

American Automobile Branch Men Hold Annual Meeting

American Automobile branch managers from many points will attend the annual branch managers' meeting at the home office Jan. 25-29. Among those who will attend, gathering at Chicago for the trip to St. Louis, are: Resident Vice-president E. D. Loring, Chicago branch; George W. Talkes, resident vice-president, Cleveland; R. Z. Alexander, resident vice-president, Detroit; C. M. Latta, branch manager Milwaukee; R. S. Chaloner, branch manager, Minneapolis. The mid-west delegation will be joined by H. Begg and H. L. Kearns, representing Shaw & Begg, Canadian managers.

This is the 12th annual managers' convention and will be attended by branch office executives from all sections of the country. The American Automobile is in its 26th year, being one of the oldest and largest companies writing automobile insurance exclusively.

Many Amendments Proposed

NEW YORK, Jan. 20.—In addition to hearing the reports of General Manager Leon S. Senior and of various committees, the Compensation Insurance Rating Board at its annual meeting Jan. 28 will consider a number of proposed amendments to the constitution and by-laws.

W. E. Reel, district agent of the North American Accident, died of a heart attack at his home at Eaton, O.

Lawyers' Fight on Adjusters Given Setback in Alabama

BIRMINGHAM, ALA., Jan. 20.—Efforts of the Birmingham Bar Association to curb activities of insurance adjusters, on the contention that they are practicing law illegally, met with a setback when the Alabama supreme court dissolved a contempt of court citation against J. L. Wilkey, independent adjuster. The citation was issued by the Jefferson circuit court when Mr. Wilkey refused to appear before a committee of lawyers appointed by the court to try him. He contended the committee had no legal authority and the high court upheld his contention.

Attorney General Carmichael of Alabama recently held that persons adjusting insurance claims should either desist or obtain licenses to practice law, but no action has been filed against any adjuster in the state, all of whom continue their business as usual.

NEW SUIT IN OHIO

COLUMBUS, O., Jan. 20.—The unauthorized practice of law committee of the Ohio State Bar Association has filed suit here to prevent the Interstate Adjustment Company of Mansfield from "practicing law by soliciting claims against insurance companies, advising settlements, preparing legal papers." It is reported that both stock and mutual companies will fight the case and that prominent lawyers have offered to take it to the United States Supreme Court if necessary.

EXECUTIVES BODY INTERVENES

The Association of Casualty & Surety Executives has intervened in the case of the Missouri Bar Association against the Ocean Accident & Guarantee which seeks to restrict the activities of casualty company adjusters, an issue in which all carriers have a pronounced concern.

Travelers Classes Start

The first of a series of 10 classes in life and accident insurance salesmanship proposed for the year opened Jan. 18 in the home office of the Travelers at Hartford. The enrollment numbers 30 young men from various sections. These prospective agents will have received four weeks of academic training in sales methods and underwriting procedure when the class adjourns Feb. 13.

The Travelers' home office school for life insurance agents was founded last year. Seven classes were held and the records of the 200 men who attended them proved so satisfactory that the company decided this year to hold ten four-week sessions. Instruction is supervised by D. J. Bloxham, supervisor of agency field service, aided by assistant supervisors M. F. Jones, J. McNeal and Read Hartsig.

Promotions Are Announced

A number of promotions in the executive staff of the St. Paul Mercury-Indemnity have been made. M. D. Price, former secretary of the St. Paul Mercury-Indemnity, is chosen vice-president. G. R. Wentz, who has been assistant secretary of the bond department, is elected secretary of the company. R. B. Clark and W. F. Somerville, both connected with the bond department, were elected assistant secretaries. A. B. Jackson, who has been assistant to the vice-president of the St. Paul Fire & Marine, becomes assistant vice-president and R. H. Bancroft, manager of the marine department, is made assistant secretary of the St. Paul F. & M.

Mutual Benefit's Premiums

The Mutual Benefit Health & Accident of Omaha had premium income last year \$8,854,970. There were claims of 75,388 totaling \$4,483,935.

Ignorance and Leadership Lack Cause Most Accidents

APPALING WASTE IS CITED

American Mutual Liability Engineering Official Outlines Reasons for Losses in Industry

"The cost of industrial accidents—in money, in human suffering, in lost time, in interruption of business activities, in unnecessary spoilage of materials, in uncompensated overhead and in labor turnover—is needless waste. It is a challenge to leaders of American industry. Leadership and supervision, backed by foresight and judgment, continue to be the basic requirements for meeting that challenge," E. C. Jacobs, assistant district engineering manager, American Mutual Liability, said in an address delivered before the plant representatives section of the Baltimore Safety Council.

He pointed out the several ways in which industrial accidents are wasteful, speaking on the subject, "Leadership and Supervision Applied to Danger Control in the Plant." In part, he said:

Leadership Is Required

"Accident prevention cannot be intelligently and truly applied to the conditions of work in any industrial establishment without leadership and supervision. In any organization a definite, expressed policy is needed; outlined by the head of the company and delegated by him for execution to responsible executives who in turn have supervisory control of foremen, and workmen in the plant. Where safety is divorced from the operating policy and is regarded as an accessory rather than a part of the production program, it always is a failure."

Ignorance Cited as Cause

"Baltimore's—and any city's—need is the correction of conditions that cause injuries rather than an effort to improve them after the injury has occurred. Ignorance of hazards is the underlying cause of countless injuries. Workmen remain ignorant of those hazards simply because those higher up have failed to educate them. Knowing what to do when a hazard exists is a lesson many leaders must learn. Capable leadership and supervision, together with a sound plan of accident control, are the most effective measures available in the war against injuries in industry."

Broker in Boston Alleges Companies in "Combination"

BOSTON, Jan. 20.—A combination in restraint of business, a conspiracy to control all business of insuring motor vehicles under the compulsory law and the creation of an approved list of brokers is alleged against the Employers Liability, Massachusetts Bonding and Preferred Accident by M. S. Neustadt, Boston broker, in a bill in equity filed in the Suffolk superior court today.

On "information and belief" Neustadt alleges that the companies have refused to accept his clients as insurance risks and have refused to issue policies to them through him but that, in some cases, secretly, as he says, also on information and belief, that they have done business direct with these customers and have issued policies.

He says they have created a monopoly in this line of business and have maintained it through the creation of an approved list of brokers but have refused to admit him to this list. As a result of this exclusion, he says, it has become impossible for him and others situated like him to negotiate policies satisfactorily.

Manager R. R. Clark and Assistant Manager R. T. Sweeney of the Caledonian in Chicago this week. Mr. Clark has been on a Pacific Coast trip.

Casualty Company President Cites Need of All Risk P. L.

The following article on all-risk public liability covering its ramifications, is written by Armstrong Crawford, president Great Lakes Casualty. He has made an exhaustive study of the subject.

In your Dec. 31 issue there appeared a very interesting resume of E. W. Sawyer's address to the American Association of University Teachers of Insurance on all-risk public liability. Mr. Sawyer's message was intelligent, logical and excellently presented. It clearly demonstrated the author had made an exhaustive study of both the insurer's and buyer's angle. His clear, concise understanding of the subject, in its entirety, must have been a refreshing mental stimulus to his listeners. The seed surely fell on fertile ground and should—within a few years—penetrate into the active insurance field. Unfortunately, via this route, it will take several years before students of today have finished their apprenticeship and have become actively interested in the American insurance structure. In the meantime, it behoves those now actively engaged in the casualty business to immediately become cognizant that all-risk public liability is the crying need of American business. Business cannot wait, and losses never wait. In the interim, antiquated policies do not give protection and insurance buyers continue to pay premiums only to learn that tomorrow's newborn hazards, which produce hitherto unknown losses, are excluded from their policies.

Need Is Obvious

"The need for all risk public liability is as obvious to an alert mind as the need for water in the Sahara desert. True, traveling caravans would never perish if they remained at the oasis, but business—like the caravan—must continue its journey. There is a definite destination to be reached, and the dangerous road must be made safe by adequate protection. To reach the objective, there must be guidance, protection and the assurance of safe passage.

"The buyers (the men who pay premiums and have a right to expect full protection), have pleaded, prayed and demanded that insurance organizations give to their modern business modern protection. It is no wonder that they are disgusted, tired and disappointed with the fraternity as a whole, which persistently attempts to mold their changed business into an inadequate pattern to fit the long obsolete die of past decades—limited and restricted policies.

Should Learn Wants

"It should be the intent, purpose and function of all carriers to know the needs of today's buyers and to provide the panacea in advance. It is rather an adverse practice for a buyer to be forced to educate the companies regarding the necessity of adequate protection but, nevertheless, this condition seems apparent. It is a common question in the field today: 'Why can't we insurance buyers get the coverage and protection which our business needs when we are willing to pay for it?' You will even find resolutions passed in insurance buyers' organizations to the effect that they intend to get some company to understand their requirements and intelligently supply the need.

"During the past few years, and particularly in 1936, we have seen page after page in our insurance publications containing news items, editorials, arguments, charges and countercharges regarding certain active foreign insurance interests, and their campaign in

this country to supply to modern business, modern insurance. Some agents, brokers, company executives, and even a few state insurance officials, have howled like the 'bulls of Bashan' that foreign interests are ruining the business by daring to offer in the American market broad forms of coverage. A brief look reveals that these so-called invaders flourish and prosper. This they do and for just one main reason: They are cognizant of the necessity and supply the thirst of the insurance-buying public with the up-to-date coverage which gives modern business adequate protection against the ever-changing, constantly increasing avalanche of both new and old public liability hazards. They know that hazards consistently increase in proportion to the change and expansion of the dizzy legal whirl to which American business institutions are geared.

Business Now More Vulnerable

"There are none so blind as those who will not see. Business demands more protection because it is more vulnerable. Buyers want more flexible coverage and less denials of liability. Will they get it? Certainly. The demands of progress always have been and always will be satisfied whether or not American agents or American companies are the source of the supply. The individual or corporation which shuts the eye and turns a deaf ear to the cry of a reasonable request for advancement, stumbles into the pit of oblivion, joining the others who berated railroads, predicted the failure of the automobile and radio, declaring they were all impossible, impractical or unsafe.

"Can you picture any sane member of the fraternity purchasing for himself a life insurance policy which would pay benefits provided death occurred only from three or four stipulated causes while the policyholder was within the confines of his own residence? It is impossible to conceive that such a limited policy would be looked upon favorably. By the same token, why blame any sane business man for objecting to the purchase of similar public liability policies? Policyholders want coverage, and they will get it even if they must go to Timbuktu to locate a market.

No Reason for Objection

"Why there is an objection on the part of certain agents, companies and insurance departments to all-risk coverage, is a question which the writer has never been able to fathom. It almost appears as if those paying the premium have a greater understanding of their insurance requirements than agents and company representatives who are supposed to be educated and specializing in this particular line of endeavor. To an outsider, it seems almost impossible that there are only a few progressive agents among the tens of thousands who have taken time to participate in a little research and educate themselves regarding all-risk liability. May I digress to make a prediction to every agent. You may be absolutely sure of three things: death, taxes, and that all-risk public liability is the only logical and reasonable policy form for modern business.

"Having profitably sold and underwritten all-risk public liability for more than 10 years, let me again reiterate that an all-inclusive, comprehensive liability policy is the only true means of fully insuring tomorrow's claims today. Remember that 'today's can't happen' is 'tomorrow's judgment.' I wonder how many agents, insurance counsel, and advisers, who have clients handling any commodity, have read the law known as the uniform sales act

(CONTINUED ON PAGE 41)

Some Problems Created by "Non-Can" Benefit Reduction

PRESENT SCALE TO CONTROL

In Writing New Business, "Other Insurance" Is Figured on Basis of What Would Now Be Received by Assured

The reduction in benefits on non-cancellable accident and health policies of the Pacific Mutual Life has created some problems for other accident and health companies in connection with policyholders of that class who are applying for new insurance.

The first one concerns the answer to be made to the question as to the amount of other insurance which the applicant has. The practice adopted by the Pacific Mutual itself and quite generally followed by other companies is to list only the amount which the policyholder would receive under the reduced scale of benefits. A man with a \$200 a month policy, who is in the class where benefits are reduced to 45 percent, for example, would be regarded as having only \$90 a month of other insurance.

While the reorganization plan approved by the California courts and the insurance commissioners contemplates the eventual restoration of full benefits to these policies, the maximum time before this can be done having been estimated by Actuary William Breiby at 15 years, it is felt that the present and not the eventual amount of benefit is the proper basis to use in deciding whether the total insurance exceeds the 75 or 80 percent of the applicant's income to which the coverage is usually limited.

There apparently have been very few cases where "non-can" policyholders have been advised by agents of other companies to drop their policies. It is recognized that in the great majority of cases they are getting their money's worth, even with the reduction in benefits.

Taking again the case of the \$200 a month policyholder who is entitled to only 45 percent benefit, it is suggested that he take out a policy with \$25 a week benefit, which would amount to approximately \$108 per month. With his \$90 under the non-cancellable policy, this would give him total protection of \$198, or practically the same amount that he had before. He is told that if the benefits under the "non-can" policy are restored, he can drop the new policy if he desires, or if his earnings at that time are sufficient to bring him within the limit of acceptance, he can continue to carry it and have just that much more protection.

Two Plate Glass Activities Have Now Been Combined

NEW YORK, Jan. 20.—The New York plate glass service bureau of the National Bureau of Casualty & Surety Underwriters, and the New York rating office of the same organization, hitherto separately managed, have been consolidated under the management of John W. Marden, who has been head of the plate glass division since its formation in May, 1931. F. V. Reilly, formerly in charge of the department which rates properties in the city for owners, landlords and tenants covers, has been transferred to the headquarters of the bureau as aid to Milton Acker. The 51 companies holding membership in the plate glass bureau write 98 percent of the plate glass premiums of the metropolitan field. It is accountable for at least 75 percent of the premiums in the state which last year aggregated \$2,614,394. The annual meeting of the Service Bureau will be held Jan. 27. Prior to assuming the bureau management six years ago, Mr. Marden was head of the plate glass department of the United States Casualty.

CHANGES IN CASUALTY FIELD

Harry Sesan Is Manager of the Auto Mutual Indemnity

Harry Sesan was elected general manager of the Auto Mutual Indemnity at its annual meeting. He joins the company after several years practice as attorney, having devoted his time principally to insurance matters.

He has been examiner with the New York department for six years. He has examined a majority of the mutual automobile carriers under its supervision.

The Auto Mutual reported \$1,509,000 in premium collections for the past year, as contrasted to \$1,342,000 for 1935.

The following other officials were elected for the ensuing year:

Frank Bailey, president; K. A. Landon, executive vice-president; G. F. Kelly, vice-president; David Scope, treasurer; Vincent Scully, secretary, and F. M. Chandler superintendent of agencies.

Directors who will serve in 1937 are:

Mr. Bailey, Mr. Landon, Mr. Kelly, Mr. Scope, Mr. Scully, G. A. Prager, Mr. Chandler, Leon Scully, H. O. Levin, Baltimore; P. H. Schultz, Detroit; R. B. Smith, Grand Raipds; S. D. Macpeak, and Dr. Maurice Frocht.

Jarvis With Maryland

Elmer Jarvis has been appointed special agent Maryland Casualty for northern Indiana. For six and a half years he was with the Travelers in Indiana but more recently with the Kennedy Insurance Agency, Muncie, Ind. Mr. Jarvis is associated with J. F. Miller, resident manager of the Maryland Casualty at Indianapolis.

Manages Kansas City Office

Edward T. Pike, formerly special representative of the Hartford Accident in Philadelphia, has been appointed manager of the new branch office in Kansas City. Before joining the Hartford, Mr. Pike was for many years with

the Knox Agency in Hartford, general agent of the Aetna Life and affiliated companies, as manager of the fidelity and surety department.

Gallagher with Ocean Accident

B. J. Gallagher has joined the casualty underwriting staff of the Ocean Accident and Columbia Casualty in Los Angeles. J. E. Joseph is branch manager. Mr. Gallagher has had eight years experience in insurance.

Bond St. Louis Special

J. R. Bond has been appointed metropolitan special agent of the St. Louis office of the Massachusetts Bonding under J. L. Patterson, resident manager. He has been in the insurance business for about six years. At one time he was with the Hoffmann, Son & Co. agency.

Fred Nesbitt to Pittsburgh

Fred L. Nesbitt, who has been with the bonding department of the Standard Accident at its head office, and who has been doing special work in that department in various cities, has been appointed manager of the Pittsburgh bonding office with headquarters in the

Peoples Bank building. Mr. Nesbitt has had a long and successful career in the surety field. He was formerly with the Fidelity & Deposit.

Monroe with Employers

Walter H. Monroe, formerly deputy insurance commissioner of Alabama, has joined the Employers Insurance Company of Alabama in Birmingham. He was consultant in 1935 for the state of Florida on the industrial commission.

Bruns Goes to Chicago

Alfred F. Bruns, for the past two years assistant to the sales manager of the Liberty Mutual at the home office in Boston, has gone to its Chicago office to become assistant to the sales manager there.

F. & D. with Godchaux & Mayer

The Fidelity & Deposit has appointed Godchaux & Mayer to represent it in New Orleans.

Adams to Fether & Co.

H. D. Adams, chief underwriter in the Los Angeles office of the Travelers for 14 years, has resigned to become assistant manager of the production department of the Los Angeles office of Fether & Co., general agents New Amsterdam Casualty.

Daly With Milwaukee Agency

A. L. Grootemaat & Sons Co., Milwaukee, appointed J. A. Daly head of its insurance department. He has been field assistant of the Travelers in casualty lines for more than seven years.

New Arkansas Law Needed

LITTLE ROCK, Ark., Jan. 20.—Arkansas workmen's compensation rates, now the highest in the United States, may be lowered through adoption of an adequate compensation law, Jack East, manager Arkansas Agency, Little Rock, told the Engineers Club at its monthly meeting. Despite the cost of such insurance, no company is making money on its Arkansas business and only a few are still accepting risks of this type.

Wisconsin Rates Delayed

MADISON, WIS., Jan. 20.—The formal order on the 1937 compensation rates is being delayed as Commissioner Mortensen is giving consideration to petitions of foundry owners and employers whose industries are subject to silicosis. These employers demand that the rates on silicosis shall be based on the experience of the last two years rather than the five year average as great advances have been made in protection against the dust hazard.

FIELD MAN WANTED

By large casualty company. Man thoroughly experienced in casualty and bond lines to travel as special agent in southern Michigan. Please state your qualifications fully.

ADDRESS F-12, NATIONAL UNDERWRITER

SPECIAL AGENT WANTED

Wanted special agent, conference casualty company. Must be experienced all lines casualty and surety. Ohio territory. State age and qualifications.

ADDRESS F-14, NATIONAL UNDERWRITER

WANTED

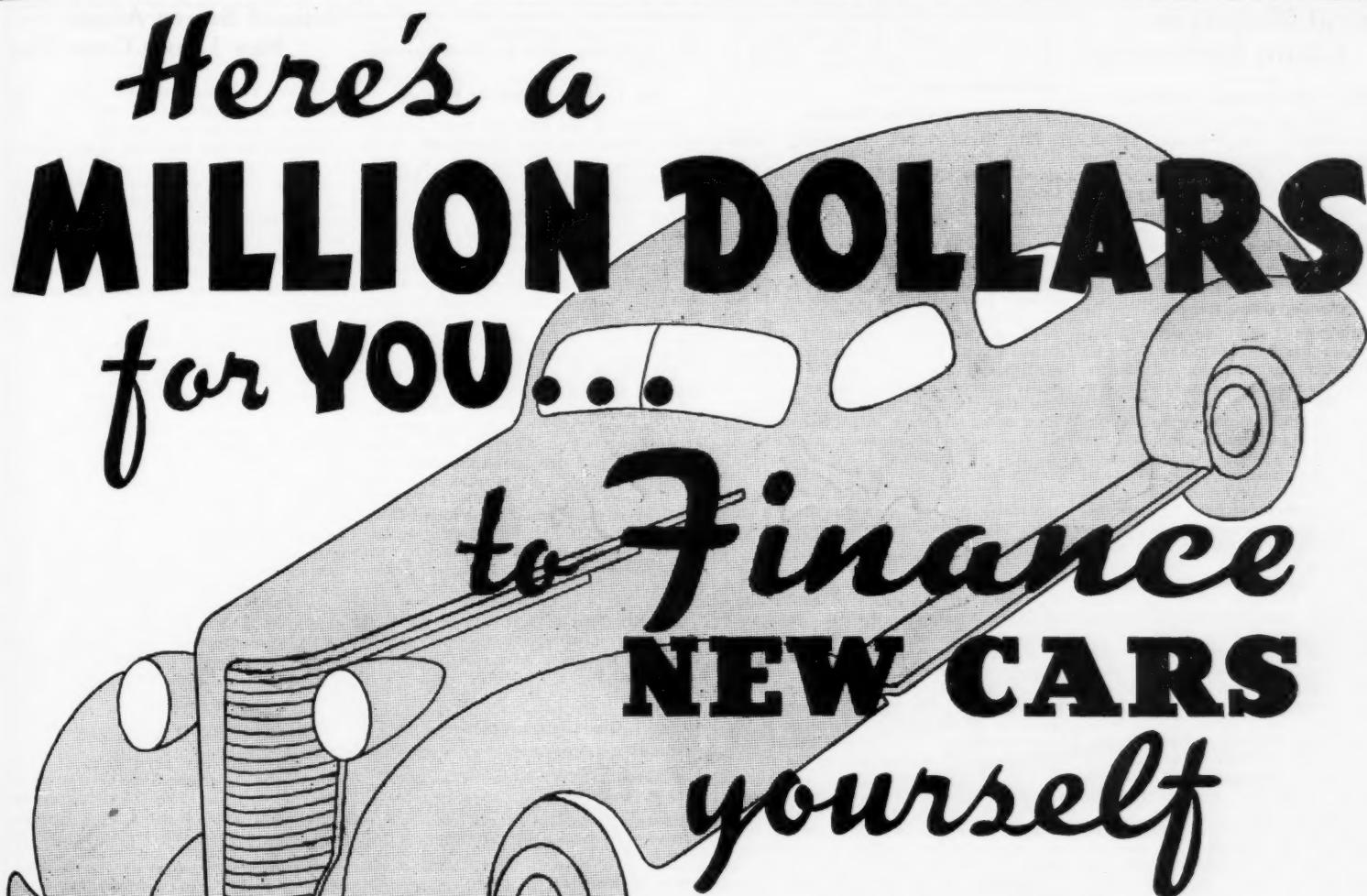
Special Agent to travel the State of Ohio for large and well known casualty company. Advise experience, age and salary wanted.

ADDRESS D-99, NATIONAL UNDERWRITER

1890 FD 1937

**FIDELITY AND
DEPOSIT COMPANY
OF MARYLAND
BALTIMORE**

**FIDELITY AND SURETY BONDS
BURGLARY, ROBBERY, FORGERY
AND GLASS INSURANCE**



Just like having a MILLION DOLLARS in the bank! Now American States offers you the first sound, workable automobile finance plan exclusively for automobile insurance agents through the Automobile Investment Corporation.

If you are not already one of the two thousand agents representing this company in Indiana, Michigan, Ohio, Pennsylvania, Washington, D. C., Delaware, Maryland, New Jersey, Kentucky, or Iowa — write or wire us immediately concerning agency connections now open.

Your policyholders will appreciate this friendly, personal service enabling them to obtain a complete policy, not just a certificate—offering them property damage and liability protection; comprehensive coverage; and special coverages such as Drive Other Car coverage; Trailer Protection; Rental Reimbursement, etc., payable monthly with their cars.

They will be interested in having only one person to notify, one adjuster to handle claims in event of loss or accident! You will enjoy the extra profits in renewals ordinarily lost through new car transactions, and the opportunity to make every new car buyer Not Just a Property Damage and Liability Policyholder, but a customer for a Really Important Premium Contract.

FIRST TO PROVIDE A PRACTICAL AUTOMOBILE FINANCE PLAN FOR AUTOMOBILE INSURANCE AGENTS



AMERICAN STATES Insurance Co.
HOME OFFICE American States Building INDIANAPOLIS

Central Mutual in Claim Difficulties

(CONTINUED FROM PAGE 31)

\$20,015, auto property \$915,154; auto collision \$20,701, total income \$1,142,249. Income items listed above show gross premiums including policy fees written and renewed during the year.

Disbursements included: Gross amount paid for losses—auto fire \$3,114, auto liability \$675,567, auto theft 4,042, damage \$238,332, auto collision \$9,033, total \$930,090.

Claims, Office Expense

Investigation and adjustment of claims was listed at \$371,085; salaries and all other compensation of officers, directors, trustees, and home office employees, \$97,515.78; commissions or brokerage, less amount received on return premiums and reinsurance \$501,158, less \$341,182.30 commission on reinsurance, \$159,976; salaries, traveling, and all other expenses of branch office employees and agents not paid by commissions, \$24,703; inspections, including accident prevention, \$38,400; state taxes on premiums, \$37,926; insurance department fees, \$20,984; legal expenses and auditing, \$30,853; advertising, \$3,713; printing and stationery, \$14,075. Total disbursements were \$1,626,065.

Ledger assets as per balance were listed as \$689,140, including such items as book value of real estate, \$1,441; mortgage loans on real estate, first liens, \$90,400; other than first, \$600; book value of bonds, \$94,013, and stocks, \$6,777; deposits in escrow, \$210,371.

The unpaid claims totaled \$663,762. One item listed said "due Lloyds for reinsurance, \$139,896."

Total liabilities were set at \$1,134,854. Authorities are agreed that the receiver in this case should not attempt to defend any claim, for to do so would make it necessary for him to defend all in order not to discriminate. Assuming

attorney's fees averaging \$100 per case, the cost for counsel in the minimum estimated number of 600 claims would be \$60,000, and in addition there would be considerable court costs.

Is Notifying Assured

The decision not to defend claims throws this responsibility back on assured of the Central Mutual of Chicago. Unless they employ counsel and successfully defend the claims against them, court routine would dictate judgments for claimants in the full amounts asked. Receiver Miller is notifying all assured that they should defend actions against themselves as he cannot do so.

Entry of the order of liquidation last week automatically terminated all outstanding policies of the Central Mutual of Chicago, so policyholders have not been insured against accidents occurring after Jan. 11, the date of the order. That date, therefore, fixes the status of all claims against assured and will be the test in preparing a list of approved claims upon which the receiver and the liquidation bureau now are working. An inventory of assets also was started this week by the receiver.

Records Being Transferred

All records were being transferred this week to the office of the Illinois liquidation bureau, A-1532 Insurance Exchange, Chicago, to which also Receiver Miller is moving his official office. Furniture, fixtures and equipment of the old Central Mutual of Chicago are to be placed under the hammer soon, Receiver Miller said, and will go to the highest bidder. The new Central Mutual of Illinois is occupying the offices of the old company at 105 West Adams street, Chicago, and will have opportunity to bid on the physical equipment of the office, which is ornate, having been the head office of an investment house in the happy days of prosperity. There are some seven automobiles belonging to the Central Mutual of Chicago in the receiver's possession.

sion there, and several more elsewhere that were used by special agents and other field men. Bids for these also will be sought.

Jan. 1, 1936, Statement Figures

In view of the \$573,000 total impairment shown by the department it is interesting to note the Jan. 1, 1936, statement issued by the Central Mutual of Chicago in a folder heavily printed with gold and bearing the legend, "A Company with One-half of Its Assets in Cash" Surplus based on actual market value Jan. 1, 1936, was declared to be \$202,095, contingency reserve \$100,000, total reserves \$752,557, cash in bank and office \$562,940, mortgage loans \$94,924, collateral loans \$9,500. Furniture, fixtures and automobiles were carried at \$75,000 value. Admitted assets were declared to be \$1,239,983.

The Illinois department in its calculations on which the receivership was ordered found assets Dec. 31, 1936, were \$586,243. Total liabilities excluding contingency reserve and surplus were set by the mutual's own statement at \$937,888, whereas the department found them to be \$1,134,854, the department declaring deficiency was \$548,599, which with \$25,000 statutory surplus that was nonexistent, made total impairment \$573,599.

Receiver Miller and F. J. Bartsch, head of the Chicago branch of the liquidation bureau, this week would give no estimate as to total number and amount of claims.

Miscellaneous Notes

Brooks Hamilton has bought the H. D. Coffee agency, Russellville, Ark., and will consolidate it with his agency.

R. C. Bodenhamer. El Dorado, Ark., has been elected vice-president of the chamber of commerce there.

Pinchback Taylor, Jr. of Taylor & Co., Pine Bluff, Ark., has been elected president of the Pine Bluff Real Estate Board.

Ben B. Brown. 75, president Middle Georgia Farmers Mutual Fire, Griffin, Ga., was killed in an automobile collision.

National Bureau Adopts New Liquor Cover Plan

NEW YORK, Jan. 20.—Under the revised plan determined upon by the National Bureau of Casualty & Surety Underwriters for handling risks subject to the Illinois liquor control law, all coverage forms and rates promulgated April 24, 1934, are withdrawn. Instead each member company is required to file with the bureau the basic form of coverage rates, minimum premiums and charges for additional interests and excess limits it cares to assume upon risks amenable to the act.

Filings made by each company will be approved by the bureau and may be used by that company for any risk save where policies on manufacturers, contractors, owners, landlords and tenants, or public liability coverages are in force in another member company. Should departure from filings be sought for a particular risk, specific approval thereof must first be obtained from the bureau. In the event the filing of any member company does not include provision for definite rates and minimum premiums for any risk classification subject to the liquor control law, rates and minimum premiums for all risks of the class shall apply, whether new or renewal, in acceptance of the lines. No bureau company may write a policy now carried in another member company without first getting bureau approval.

C. H. Hall Advanced

C. H. Hall has been elected secretary of the American Surety. He joined the company in 1926, following graduation from Victoria College of Toronto. After a thorough training in the underwriting and business production departments he was transferred to the office of President A. F. Lafrentz five years ago, so continuing until his present promotion.

SPEED DEPENDABILITY

"A LINE OF INSURANCE"

LITERALLY speaking, that's what the American Glass Company's fleet of fast, modern trucks are to your plate glass insurance clients in and near Chicago.

Our speedy, reliable trucks, manned by experienced drivers and workmen, are an important factor in the prompt and dependable service that we afford. It has been built up to its present high peak through years of experience in the handling of plate glass replacements.

Avail yourself of our services.

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"YES," said President Grayson, to one of his Directors, "we were fortunate to escape bankruptcy—and we owe our escape to *one man's* persistence."

"Thanks to his insistent advice, in addition to fire insurance we have Supplemental Contract—which not only covers damage to our property by the rioters, including fire, but also protects us against windstorm, explosion and

other hazards not covered by fire insurance. But for that *one man*, we would be ruined."

The "one man" of this story was an F. & G. FIRE representative—again demonstrating that the agent or broker who persists in selling his clients needed protection is acclaimed for his persistence when a loss occurs.

* * * * *
Write for samples of a new booklet and folder to help you sell Supplemental Contract.

Consult your Agent or Broker as you would your Doctor or Lawyer

F. & G. FIRE

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HOME OFFICES

BALTIMORE

U. S. F. & G.

NEWS OF CASUALTY COMPANIES

Fidelity & Deposit Good Gain

Reports Underwriting Profit in 1936 of \$1,369,810—Total Gain on Operations for Year Is \$2,069,343

BALTIMORE, MD., Jan. 20.—The Fidelity & Deposit in 1936 realized an underwriting profit of \$1,369,810, President C. R. Miller reports. This compares with \$490,169 in 1935.

Net income from investments was \$557,006 and profit from sale of securities \$142,526. Gain from operations for the year was \$2,069,343.

Out of its 1936 earnings the company paid or set aside for dividends, \$569,981. After deduction of this amount and the setting aside of necessary and contingent reserves, it added \$913,498 to surplus, making its net surplus as of Dec. 31, \$3,460,402.

Total premium income from all lines, after deducting coinsurance and reinsurance, was \$10,967,931, an increase of \$710,055. As of Dec. 31, 1936, assets totaled \$22,068,572, increase \$1,506,719. Assets include \$1,719,837 in cash, \$6,-

\$443,781 in Federal Land Bank bonds.

The company carries its government bonds at par and all other securities at or below actual market value as of Dec. 31. A reserve of \$1,400,000 against market fluctuation is maintained.

The directors declared a dividend of \$1 per share, payable Jan. 30 to stockholders of record Jan. 22.

Substantial Progress Made

United States Fidelity & Guaranty in Its New Annual Statement Gives Interesting Figures

The United States Fidelity & Guaranty in its new annual statement shows assets \$46,393,597, claim reserve \$18,954,964, premium reserve \$13,732,443, contingency reserve \$1,500,000, capital \$2,000,000, net surplus \$7,329,395. Its premiums last year were \$35,589,280, increase of 8 percent. This is its largest premium income since 1931. The income from earned premiums, investments and rents amounted to \$34,041,696. The un-

derwriting profit was \$2,783,027. The gain from adjustment in investment values amounted to \$1,084,307, making a total gain of \$3,867,335. There was added to surplus \$3,256,753.

On Dec. 3 last, without recourse to any new financing, the preferred stock was retired by payment of \$4,000,000 cash, of which \$3,200,000 came from the surplus and \$800,000 from capital. Therefore the net results at the end of the year showed surplus of \$7,329,394, as compared with \$7,273,641 a year ago. In addition the company carried a voluntary reserve of \$1,300,000. Stocks and bonds in the portfolio stand at \$31,931,189.

President E. Asbury Davis announced at the stockholders' meeting that the company's obligation as guarantor in connection with the mortgage companies refunding plan had been substantially reduced and the liquidation had been even more satisfactory than anticipated. The surety business, he said, showed an increase, which was a reflection of the great governmental projects under way. Despite some rate reductions, he announced the volume of fidelity, burglary and casualty held up satisfactorily.

Mr. Davis called attention to the tendency to increase taxes by federal and state governments and said this should be a matter of concern to investors. Mr.

Davis takes an optimistic view of the future and sees continued progress.

General Reinsurance Gives Its Figures for the Year

The General Reinsurance shows premiums last year \$5,217,511, the largest since 1929 and an increase of \$503,122 over the year before. It has treaties with 81 companies. Heretofore it had 70. Its total income was \$6,184,520. This is exclusive of the value of assets received in connection with the dissolution of the General Alliance in October. It also does not take into consideration profits realized from sales of securities. Including these items the total receipts were \$8,613,278. The disbursements were \$4,908,589. President E. H. Boles in making the announcement says:

"Larger writings of insurance by the direct-writing companies, arising with respect to liability business from increased sales of automobiles, larger policies for existing policyholders and larger writings for car owners in general, and with respect to surety business, larger demands for contractors' surety bonds, were responsible for the increase in our net written premium volume."

National Surety Figures

The National Surety's assets increased \$4,163,871 during the year, the item now being \$19,761,011. The capital is \$2,500,000 and surplus \$6,273,629, increase \$1,621,350. The total policyholders surplus is \$3,121,350 over that of a year ago. Its operating costs from underwriting and invested income last year amounted to \$1,597,325. The premium reserve is \$5,283,157, contingency reserve \$750,000. The loss reserve is \$3,972,476. Cash on hand is \$2,303,552. Surplus was further increased by \$424,025, representing net gain in admitted asset values arising from sale or other disposition of assets, less federal income taxes applicable to such profits, making a total gain of \$2,021,350. The dividends paid were \$400,000.

St. Paul Mercury-Indemnity Year

The annual statement of the St. Paul-Mercury Indemnity shows assets \$7,141,469, premium reserve \$2,114,276, loss reserve \$1,442,822, depreciation reserve \$157,078, capital \$1,000,000, net surplus \$2,043,868. Its net underwriting profit was \$507,990, interest on investments \$224,014, appreciation in market values \$157,078, increase in surplus \$604,003. Its premiums last year were \$4,505,276, increase \$986,391, premium reserve increase \$444,065. Its assets increased \$1,528,149.

The Mutual Surety of Des Moines has been licensed in Iowa to write fidelity and surety.

Imperial, D. C.—Assets, \$213,643; inc., \$61,485; unearned prem., \$49,005; capital, \$100,000; surplus, \$63,569; inc., \$13,569. Experience on principal lines:		
Net Prem. Losses Pd.		
Fire	\$ 9,415	\$ 763
Burglary and theft..	17,534	881
Auto prop. damage..	2,739	24
Auto collision	39,658	6,108
Comb. comp.	1,982	20
Total	\$ 71,328	\$ 7,796

* * *

Inter-Ocean Casualty—Assets, \$549,193; inc., \$76,142; unearned prem., \$168,383; loss res., \$93,584; capital, \$100,000; surplus, \$130,045. Experience on principal lines:		
Net Prem. Losses Pd.		

Accident and health.\$1,305,481 \$ 631,411

* * *

Minnesota Commercial Men's—Assets, \$282,777; dec., \$4,562; unearned prem., \$1,875; loss res., \$34,320; surplus, \$239,368; dec., \$7,443. Experience on principal lines:		
Net Prem. Losses Pd.		
Accident	\$ 116,103	\$ 96,096

Health 167,893 103,763

Total \$ 283,997 \$ 199,859

* * *

Western Surety—Assets, \$1,474,869; inc., \$296,403; unearned prem., \$213,200;		
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A dependable company, soundly operated, rendering efficient, nation-wide service to Agents and Policyholders.

BANKERS INDEMNITY INSURANCE COMPANY

Newark, New Jersey

Casualty Affiliate of The American Group

OF INTEREST TO YOU?

• Fifty years ago, the world's pioneer in liability insurance, The Employers' Liability Assurance Corporation, Limited, wrote the first liability policy ever written in the United States. We have reproduced, as an interesting historical document for insurance men, that first liability policy which naturally differs considerably from those contracts you sell today.

It is our wish that every insurance agent and broker, every employee connected with any insurance office, who feels that he or she would be interested in owning a copy of this facsimile of the first liability policy written in the United States, should receive a copy. Hundreds have already written in, requesting a copy. Dozens have asked for additional copies.

Perhaps you would find it more interesting than you at present believe. To get your copy please write to the following address or if you prefer, telephone or write to the nearest Branch Office and they will take care of your request.

May we remind you that the world's pioneer in liability insurance, The Employers' Liability Assurance Corporation, Ltd., is one of The Employers' Group companies. The others in the group are The Employers' Fire Insurance Company and the American Employers' Insurance Company and together these three write practically every kind of insurance except life, including fidelity and surety bonds. If you are interested in establishing an agency connection, write to the same address, attention of the Agency and Production Department.



THE EMPLOYERS' GROUP

110 MILK STREET, BOSTON



loss res.	\$164,770	liab. res.	\$18,980
comp. res.	\$191,791	capital	\$300,000
surplus	\$525,021	inc.	\$228,789
		Experience on principal lines:	
Net Prems. Losses Pd.			
Workmen's comp. . . .	\$ 100,544	\$ 62,579	
Fidelity	88,835	716	
Surety	178,985	9,050	
Total	\$ 368,365	\$ 72,343	

Miami Group Elects

MIAMI, FLA., Jan. 20.—At the annual meeting of the Miami chapter of the Florida Association of Claim Men, M. B. Arnold was elected president; T. A. Whiteside, vice president, and F. P. LaRose, secretary-treasurer. H. E. McFarlan is past president.

Must File Auto Indorsements

ST. PAUL, Jan. 20.—Companies writing automobile liability and property damage in Minnesota have been requested to file with the insurance department not only their schedule of rates but any indorsements as well.

CASUALTY • PERSONALS

Raymond E. Page, Aetna Casualty general agent at Hornell, N. Y., was presented a service plaque in recognition of 25 years' representation. He is a native of Hornell and attended Cornell University.

His first connection with the Aetna Life was as a local agent at Buffalo. About 15 years ago he became a general agent at Hornell.

Carl M. Hansen, former president of the Independence Indemnity and the International Reinsurance, is now located in the Barr building in Washington, D. C. He is sounding out merchants in some cities on coupon insurance. The plan is for the merchant to buy the coupons and then allow a certain number to accumulate with purchases of merchandise. When a customer has saved \$100 worth of coupons, for example, he would be entitled to purchase that much health, accident and life insurance. Mr. Hansen has not made a contract with any insurance company but is now simply paving the way.

mer has saved \$100 worth of coupons, for example, he would be entitled to purchase that much health, accident and life insurance. Mr. Hansen has not made a contract with any insurance company but is now simply paving the way.

Henry D. Robinson died at his home at Rockford, Ill. He was formerly connected in the field as special agent for the New York Indemnity, Great American Casualty and Ocean Accident. He has more recently been connected with the Rockford agency of Johnson & Johnson.

In recognition of 25 years of Aetna representation, a service plaque was recently presented to Frank L. Mallory of the firm of Campbell, Mallory & Throg-

morton, Aetna Casualty general agents at Little Rock, Ark. In addition, Mr. Mallory received a fitted over-night case and a portfolio as a token of appreciation from the employees of the agency, and an electric outboard motor from the other two members of the firm. He is a native of Ontario, and was educated at the University of Michigan. His first association with the Aetna was as local agent at DeQueen, Ark. He later moved to Little Rock, where he became associated with Gordon H. Campbell as general agent.

R. G. Waters, Texas casualty insurance commissioner, has been appointed a member of the governor's statewide traffic safety committee, now being formed.

Agents on the mailing list for the Aetna Casualty & Surety "Aetna-izer" received a surprise this month when the January issue arrived in a new, more convenient "pocket-size." Printed in two colors of ink on the outside covers, and presenting a new appearance throughout, its 32-pages contain numerous illustrations and interesting features.

U. S. Senator Victor Donahey, who is president of the Motorists Mutual of Columbus, O., is confined to a hospital in Washington, D. C., with bladder trouble. He is reported to have been in poor health for some time.

J. C. Bradley, supervising inspector of the Zurich, is spending several days touring southern states, inspecting some of the company's risks. He is speaking to employees of the assured on experience, safety and other matters.

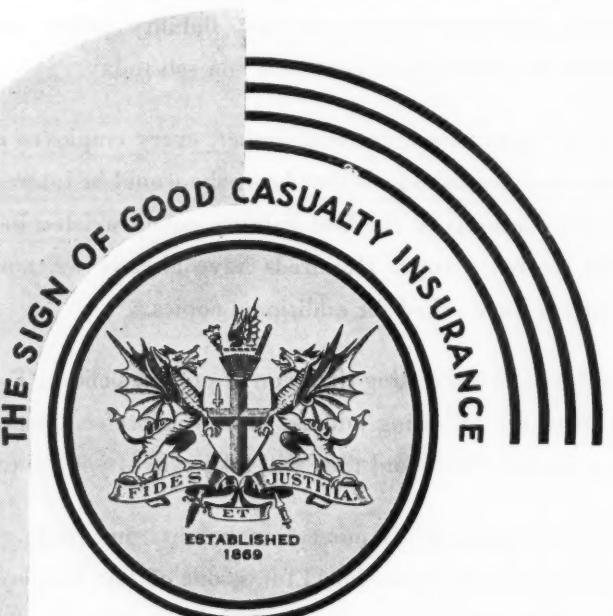
Lew H. Webb of Conkling, Price & Webb, Chicago, has been appointed chairman of the casualty section of the insurance committee of the Chicago Association of Commerce. He has also been made chairman of the casualty section of the association to review the proposed Illinois insurance code.

C. G. Hysaw, head of the C. G. Hy-saw Claims Service at Corpus Christi, Tex., with offices in the Nixon building, has completed his first year as independent adjuster. He was formerly claim manager in Texas for the old Union Indemnity and later for the Standard Surety & Casualty. He has developed many accounts and is making real progress.

John Quincy Adams of Belmont, Mass., an employee of the American Mutual Liability of Boston and a collateral descendant of the sixth president of the United States, attired in colonial costume, laid a wreath on the statue of Benjamin Franklin in Boston city hall, which marked the beginning of the company's golden jubilee celebration. The big celebration will start April 17 and continue for five days. President Charles E. Hodges, Jr., will be in charge. He pointed out that the company was the first mutual casualty company. He states it was the first American company to write employers liability. It started business Oct. 1, 1887. Prior to that time the only lines of casualty written by mutuals were on steam boiler and plate glass. During its early years it confined its operations to New England. Now it has branches in 53 cities. Gen. George H. Nye, first safety inspector in 1887, was the first to insist that outside doors should open outward instead of inward at factory shops and mills. When workmen's compensation laws first became effective the premium income grew rapidly. Total premiums have amounted to more than \$250,000,000. There are four charter members still on its policyholders' roll.

File Oklahoma Reduction

The National Council on Compensation Insurance has filed with the Oklahoma insurance board a general reduction of 7½ percent in rates and the proposition will be heard Jan. 21.



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plate glass
compensation
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Joseph Futz Anticipates an Important Assignment

(CONTINUED FROM PAGE 31)

raising to the celebrated executives who will be present. Mr. Futz doubts whether these eminent dignitaries appreciate the efforts being made by communists to undermine the insurance business. Furthermore he objects to the London Lloyds film that was shown in New York City. Mr. Futz is well acquainted with the William Penn Hotel, having occupied quarters there during the great convention of the National Association of Insurance Agents last fall, in which he took a prominent part. Mr. Futz has told Mr. Bokman that he will present his observations with some rip-roaring anecdotes which he has regaled his numerous policyholders and other friends in Eighty-Four. Mr. Futz simply asks that his expenses be paid and does not expect any further remuneration. He is willing to contribute his services to the good of the cause.

Casualty Company President Cites Need of All-Risk P. L.

(CONTINUED FROM PAGE 33)

which has been adopted in 32 states, Alaska and Hawaii? That one law alone makes shivers run up and down my spine when I reflect upon the thousands of antiquated policies purchased for the purpose of protection, yet affording no coverage whatsoever for the liability under the law. Antiquated insurance policies do not cover. All risk policies do.

"There are—and have been for many years—several good American insurance institutions issuing all-risk public liability insurance. In addition to this, there will be many more because the buyers continually demand that their requirements be completely satisfied. It is a self-evident fact that the agents who won't investigate, and the casualty companies who refuse to indulge in research appertaining to all-risk coverage, will lose prestige, money and their usefulness. The good book of wisdom, written about 2,000 years ago, contained the statement, 'Get thee understanding.' The admonition is still applicable today."

Supplemental Form Revised by Explosion Conference

(CONTINUED FROM PAGE 4)

scribed, except that this company shall not be liable for any accumulated damage or depreciation resulting from the operation of such stationary furnace; nor for any loss or damage caused by smoke from any furnace used for cooking or used solely for any manufacturing process or to furnish power thereto."

Modify General Conditions

The first paragraph on general conditions is amended by adding after the word "authority" the clause "except that liability is hereby assumed for loss or damage by explosion caused by order of military or civil authority exercised to prevent the spread of fire when not assumed under the said fire insurance policy." The fifth paragraph on general conditions (which was the fourth paragraph under the old form) has been completely revised, now making the company liable only for excess of such loss or damage over the amount of such other insurance.

Special conditions applicable to wind-storm, cyclone, tornado, hail, first paragraph, have been amended by deleting exclusions of signs, new buildings or additions of buildings under construction and/or contents until permanently enclosed by walls, rooms, doors and windows, and the exclusion of property outside of buildings, is amended by permit-

ting coverage on cranes, craneways, fixed structures or any part thereof.

Special conditions applying to loss or damage caused by explosion have been completely revised more clearly to define intent of the coverage and to avoid conflict with the fire policy coverage. The new conditions read: "This company shall be liable under the supplemental contract for all direct loss or damage to property and interest covered hereunder caused by explosion, except for any loss or damage (whether or not loss caused by fire) occasioned by or incident to the explosion, collapse, rupture or bursting of (1) steam boilers and other pressure containers and pipes and

apparatus connected therewith; (2) moving or rotating parts of machinery. Electrical arcing itself is not an explosion within the intent of the meaning of this supplemental contract."

Bay State Safety Council Elects

BOSTON, Jan. 20.—Insurance men predominate in the new setup of the Massachusetts Safety Council for 1937 following the annual meeting. Gen. John H. Sherburne continues as president. The four vice-presidents are Frank A. Goodwin, registrar of motor vehicles, in charge of the highway safety department; Richard Lincoln, in charge of in-

dustry safety; W. H. J. Kennedy, in charge of safety education, and Alfred N. Miner of Gilmour, Rothery & Co., in charge of fire prevention work. The directors include Commissioner DeCelles, S. L. Burgher, New England Insurance Exchange; Percy Bugbee, the National Fire Protection Association; William Magoun, manager of the Massachusetts Automobile Rating & Accident Prevention Bureau, and Isaac Osgood, manager Boston Board.

F. M. Weber has purchased the agency of Lillian Woelfer, Rockford, Ia., which will now be known as the Weber Insurance Agency.

**"Unforeseen events . . .
need not
so often change and shape the course of man's affairs"**



"Yellow fever death toll soars. Work on Panama Canal Stopped. Millions lost through unforeseen epidemic."

Those words never appeared on the front pages of 1910 newspapers...as they might have. Engineers foresaw the danger of a yellow fever epidemic in the Canal Zone, and planned against it.

Less publicized than that heroic work in the Canal Zone are the ways in which The Maryland and other casualty companies are today foreseeing the hazards which constantly threaten business and industry. Not content with cushioning the effect of the unforeseen event after it occurs, The Maryland makes every effort to foresee the event...and whenever possible to prevent it.

To this end, skilled Maryland safety engineers plan against the danger inherent in huge machines and modern power plants, coupled with man's own imperfection. A corps of 4,000 Maryland physicians constantly strives to foresee the hidden causes of accidents.

Human enterprise, too, is open to business hazards, and The Maryland helps plan against adversity with sound bonding practices, more complete protection for banks, and by guaranteeing the completion of construction projects.

In every state in the Union, in Alaska, Canada, Cuba, Puerto Rico, the Canal Zone and Hawaii, The Maryland is proving that unforeseen events need not change and shape the course of man's affairs.

THE MARYLAND

MARYLAND CASUALTY COMPANY • BALTIMORE • SILLIMAN EVANS, PRESIDENT

The Maryland writes more than 20 bonding lines, including . . . Fidelity . . . Bankers' Blanket . . . Contract . . . Check Alteration and Forgery . . . Depository . . . Fraud Public Official Bonds . . . Judicial. More than 40 types of Casualty Insurance, including . . . Aircraft . . . Engine . . . Automobile . . . Burglary . . . Boiler . . . Elevator Accident and Health . . . Fly-Wheel . . . General Liability . . . Plate Glass . . . Electrical Machinery . . . Sprinkler Leakage . . . Water Damage . . . Workmen's Compensation.

Compulsory Assignment of Compensation Growing Idea

(CONTINUED FROM PAGE 31)

bureau reports the number of assigned risks dropped from 712 in the year ended Sept. 30, 1935, to 581 in the year ended Sept. 30, 1936.

"All of these comparisons lead up to the conclusion," he said, "that by reason of recent improvement in loss ratios, companies are more liberal in their underwriting requirements, but it is with considerable gratification that we can demonstrate from our records that the number of assignments of recent months represent a substantial decline from previous months." Mr. Reynolds said his files disclose that 139 risks previously under assignment are insured as regular business.

The compulsory assignment bill was introduced in the Minnesota legislature upon recommendation of Governor Benson.

Compulsory O. D. Plan

It is understood in Illinois that a compulsory assignment occupational disease bill has been drafted, but it is not known who are the sponsors. It is probable that Illinois labor had a hand in it, however, since the labor element has exerted powerful influence in the state to secure coverage for hazardous O. D. risks and has been determined not to accede to any plan granting the companies right of medical examination of workers.

The industrial commission is said to recognize unofficially the necessity of companies having this right, but being a politically organized body does not consider it wise as yet to oppose the wishes of the labor element.

Might Be Constitutional

At first blush, company men say, the compulsory plan seems to be unconstitutional, but ideas as to what is and is not constitutional have changed radically

in the last few years. The statutory automobile liability coverage in Massachusetts also is on compulsory basis, but has been sustained by the courts. In both cases companies would be required to assume admittedly bad risks. There is in Massachusetts machinery for appeal by the company, as might be provided under a compulsory compensation assignment plan.

There is striking difference, however, in the types of risks assumed. In Massachusetts a company might accept assignment of a risk with a very bad accident record and yet suffer no loss on it. Under a straight compulsory compensation assignment plan the same freakish result might occur, due to the fact both depend upon chance.

Exposure Is Chief Factor

However, with the compulsory occupational disease assignment plan said to have been drafted in Illinois chance would be an unimportant element. Workers exposed for several years to serious unprotected dust hazards would have dust accumulations in their lungs and many of them would involve subsequent claims even though they appeared in sound health. In the primary or secondary stages of O. D. there is little or no external evidence of the damage. The x-ray and medical examination alone can disclose presence of the disease. Such dust deposits predispose to tuberculosis, and of course lead as well to silicosis, asbestos, etc. The companies accepting such risks along with healthy workers would have large losses inevitably.

Horner Asks Measures

In his inaugural address Governor Horner of Illinois urged the adoption of driver's license laws to bar from the highways drivers who are incapable of operation of motor vehicles and to suspend or revoke licenses of reckless drivers. The governor also urged the enactment of a financial responsibility law.

TODAY'S NEED FOR TOMORROW'S CLAIMS

**ALL RISK
PUBLIC LIABILITY
INSURANCE**
Great Lakes Casualty Company
Detroit, Michigan

Deficient Ground Facilities May Be Causing Air Crashes

(CONTINUED FROM PAGE 31)

the Eastern air crash and the missing plane in Utah. London Lloyds wrote the coverage on the Braniff plane and the United States Aviation Underwriters on the United Airlines plane. It was reported the hull loss on the two Western Air Express Boeings was \$30,000 each; on the two Lockheed Electras \$50,000 each; on the Douglas, partial loss of \$30,000, total value being \$50,000; on the United Boeing, \$50,000.

Workmen's Compensation Loss

There was workmen's compensation loss on members of the crews, in case of death this, it is said, running between \$5,000 and \$6,000 per person, or approximately \$85,000 in the six crashes. In addition many pilots, hostesses and members of ground personnel carry special aviation accident insurance which it is estimated in these six cases would involve approximately \$50,000 total loss.

While statutory limits on recovery for death vary among the states, it is said \$10,000 is a fair average, thus involving about \$180,000 additional for death of passengers in these crashes.

The greatest difficulty is in estimating loss due to personal injuries in aviation accidents. The people who fly usually are those of some means and their loss of earning power due to injury may be substantial. An aviation underwriter said he personally would set up a reserve of about \$150,000 for the eight passengers injured in the Western Air crash a week ago near Los Angeles, this figuring approximately \$20,000 each. The airlines uniformly carry passenger liability of at least \$40,000 per seat, this being an unwritten rule in the Air Transport Association, for the sake of protection of the originating airline where passengers may be transferred to various routes operated by other lines.

Air Mail Subsidy a Factor

An important factor in considering the aviation hazard is the government air mail subsidy, for the airlines get paid only for the miles actually flown with mail. Therefore, if a flight is canceled, they lose money. They do not take chances but there is a natural tendency to order a pilot out save in the worst weather. Another reason for this is that lines must establish a reputation for maintaining schedules insofar as possible.

The United States airlines in the last fiscal year ended July 1, 1936, received approximately \$12,000,000 for carrying air mail, but of this about \$9,000,000 went back to the post office department to cover its charges, leaving a net cost to the government of about \$2,900,000.

It is possible that a marker station, estimated to cost under \$15,000 which the government has been intending to build for some time in the mountains near Los Angeles, would have obviated the two fatal crashes at Newhall. The pilots in both cases apparently were lost, due to the radio equipment in that area not being all that it should have been. Project No. 39 on the Department of Commerce list of air route improvements for which the \$882,000 was appropriated calls for needed modernization of the Los Angeles range station, but it is reported the project has not yet started.

Much Work to Be Done

Aviation underwriters and flyers are agreed that while the government has made great progress in recent years in improving the airways, there is a very large amount of necessary work to be done. The unified program of beacon and radio stations shows 325 points where new equipment should be installed, modernization done and stations relocated. The map showing this great project indicates clearly that whereas the average layman believes the country is well charted by radio beacons so that the safety of all flights over scheduled routes by commercial planes is assured, such is far from the fact. The airlines

are doing the best they can with present equipment, but there remains a big job to be done by the government.

A shakeup in the U. S. aeronautics bureau is anticipated with possibly a change in chiefs. There has been considerable criticism recently, and it is possible that with a change in regime more will be accomplished in improving air routes. The government spent about \$1,600,000 for new construction in the period 1927-33, but has spent little since, save about \$287,000, it is reported, mainly in PWA and WPA payrolls for air route and airport work. None of this, it is said, went into equipment.

Bean Conviction Again Confirmed

ST. PAUL, Jan. 20.—The Minnesota supreme court has again affirmed a conviction of M. E. Bean, Minneapolis submarine company promoter, for selling insurance without a license. He will now have to serve a 90-day jail term, the second he has served in two years.

Altogether Bean has been convicted five times and twice his convictions have been affirmed by the high court. The cases against him have been worked up largely by F. W. Holahan of the insurance department legal staff.

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ACCIDENT AND HEALTH

Expected to Adopt Manual

Federal Life Probably to Make Change
June 30—Regional Sales Meeting
Is Conducted

The Federal Life probably will adopt the Health & Accident Underwriters Conference manual, with a revision of rates, it was announced at the first 1937 regional meeting of agents and producers held in Chicago. If this is done, the change will take effect June 30.

While non-cancellable rates are still considered too low, profits from other contracts of the Federal's accident and health department are over-balancing this satisfactorily, President I. M. Hamilton reported. During the last year contract provisions have been tightened on some forms and a number of rates increased, so the department finished the year in the black with an actual surplus.

No Future Issues

The department held its own regarding lapses during 1936 and this is expected to be improved during the coming year. The company has no plans for future issues at present.

The meeting, attended by producers from Missouri, Minnesota, Indiana, Michigan, Pennsylvania and Illinois, devoted most of the day to a discussion of the life business. A talk by J. M. Holcombe, Jr., of the Life Sales Research Bureau featured the day. Among those who spoke briefly was H. R. Gordon, executive secretary Health & Accident Underwriters Conference. He said accident and health premiums in the United States showed a gain of 13 to 15 percent over those of 1935.

Special attention was devoted to the

complete coverage accident policy, which combines the function of the all-cover standard accident and the hospital and reimbursement policy. However, the sale of the new contract was not up to expectation, although the rise in production of the full cover for wives' and students' indemnity for loss of time was encouraging.

Assets Show Gain

The company's assets appreciated the past year by more than \$721,000, but the financial report deplored low interest rates, predicting a still gloomy outlook. Improvement in real estate assets was foreseen during the coming year, while the value of bonds has doubled since 1935. A very satisfactory experience was reported in handling Federal Housing Administration paper.

A luncheon featured the day's program. A special issue of "The Federal," company newspaper, was distributed.

Cancer Claims Big Problem

Dr. Josiah Moore Outlines Handling of Accident Cases in Which Development of Disease Is Alleged

Dr. Josiah Moore, well known Chicago pathologist, outlined the difficulties of companies writing accident and health when dealing with claims arising from cancer, tumor or other like growths, in a talk before the monthly meeting of the Chicago Claim Association. He also went over the best method of handling such cases, especially in accident claims where there is doubt that the cancerous growth developed from a trauma caused through an accident.

Since a trauma caused by a blow does

not necessarily mean a cancer will follow in a few weeks, months or years, it is important that the injured person be checked through an extremely careful case history, starting from the day the claim first comes in.

When a person has been injured by a bump, blow or other contact that does not cause an open wound but causes pain and swelling, the claim man should see that an x-ray is made of the area when a claim is presented. By taking this precaution, it can be ascertained if there is a tumor in the injured part at the time the accident occurred, and, if so, a costly settlement could be avoided, perhaps several years later, when a bad tumor or a cancer has developed, perhaps in some other part of the body by the process of metastasis. The character of the injured person may be of the best and he may honestly believe that his cancerous growth was a development of the injury received in the accident that happened long before.

Dr. Moore pointed out tumors and cancerous growths frequently are in the body for many years without betraying any symptoms; in fact, they may be congenital defects. Hence, after having such a growth somewhere in his body all of his life, the assured may sustain a blow or a bruise in another part and this blow may make the injured part more liable to cancer through metastasis from the original growth, the latter perhaps being quiescent. In this case the cancer would not necessarily have resulted from the accident, since the assured already had cancerous growths in his body.

Cancer Hard to Predict

Another difficulty in the life of the claim man handling such cases is the fact that cancer and its development constitute one of the most unpredictable factors in the science of medicine. He cited many cases to prove this. He said tumors or cancerous growths may appear after a trauma is received in as soon as seven or eight weeks or as late

as 10 years. An assured could have received an injury several years before he was covered by the company and yet have a cancer not develop until after another blow or bump received while he was insured.

Dr. Moore also cited experiments performed on mice to show that repeated irritation to some part of the patient's body by clothing, contact with mineral substances or to some hazard of his occupation, metastasis may be caused and a cancer develop. This may be made the basis of a claim, because of its being alleged to be an accident against which the policy insured. Yet in this case the cancerous growth would not have resulted from such accident.

Reports 11 Percent Gain in A. & H. Premium Volume

Reports from 50 companies of the Health & Accident Underwriters Conference compiled by Executive Secretary Harold R. Gordon indicate an increase of slightly over 11 percent in accident and health premium volume for 1936.

Volume upon which this estimate was made comprised 75 percent of total accident and health business written by Conference membership. On this basis premiums for all companies in the United States, in 1936, should exceed \$190,000,000.

Loss ratios for 1936 will again show a decrease and may reach an average of 50 percent for all companies and all classes of business.

Will Liquidate Old Company

Judge Willis at Los Angeles this week approved liquidation of the old Pacific Mutual Life. Commissioner Carpenter requested the order, stating that the formal approval by the court was necessary to pay claims of some non-cancellable disability policyholders who have refused to accept the reinsurance plan of the new Pacific Mutual. Judge Willis



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Re-Insurance Co.**

Robert C. Ream, President
99 John Street New York

DECEMBER 31st, 1936

CAPITAL	\$1,000,000.00
Surplus	4,044,764.57
Voluntary Catastrophe Reserve	500,000.00
Reserve for Losses	3,527,772.91
All Other Liabilities	1,407,161.38
TOTAL ASSETS	10,479,698.40

NOTE: Securities carried at \$690,943.75 in the above statement are deposited as required by law.

CASUALTY RE-INSURANCE

Two Exceptional
**NEW HOTELS IN
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The New Hotels Earl and Hungerford are located in the city's business and shopping center.

EARL HOTEL
150 ROOMS

Richly appointed, spacious rooms. Well trained staff in attendance at all hours.

RATES
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WEEKLY OR
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RATES

HUNGERFORD
250 ROOMS

Favored by business man and family. Coffee Shop serves excellent, moderate priced foods.

OWNERSHIP · MANAGEMENT OF
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overruled an objection to the liquidation filed by Attorney W. H. Neblett. This has no effect at all on the new Pacific Mutual. The old Pacific Mutual is but a shell and the action in no way affects the new Pacific Mutual.

Big Provident L. & A. Gain

The Provident Life & Accident showed a gain of \$19,405,854 in life insurance in force in 1936, exceeding by more than \$4,000,000 the largest gain ever secured in a single year. Accident and health premium income for 1936 exceeded \$4,900,000, another new high record, and a gain of more than \$750,000 over 1935.

Study Hospital Service Status

ST. PAUL, Jan. 20.—Whether hospital service associations come under the Minnesota insurance regulations is being studied by the insurance department. Albert Burger, chief examiner of the department, held a conference with representatives of the Minnesota Hospital Service Association, which has operating arrangements with most of the large hospitals in the Twin Cities. Another organization, operating on a different plan in Duluth, also is being investigated.

B. C. Health Insurance Scheme

VICTORIA, B. C., Jan. 20.—The British Columbia government announces that its health insurance scheme, provided for by legislation some time ago, will go into effect March 1. It will provide medical and hospital care, and part cost of medicines, for more than 90,000 wage-earners with less than \$1,800 yearly incomes. Employes will contribute 2 percent of their wages and employers 1 percent of their payrolls to the fund.

James Garman Promoted

Appointment of James Garman of the Newark office of the Washington National as manager of the Jersey City office was announced at a dinner in Newark in honor of Vice-President J. J. Krist, who was awarded a veteran's certificate and badge for 25 years' service with the company. Managers of the eastern district were present as well as J. B. Blandford, assistant vice-president.

Install Los Angeles Officers

Officers have been elected by the Accident & Health Managers Club of Los Angeles as follows: President, C. H. Thrift, Behrendt-Levy Agency; vice-president, H. B. Johnson, Aetna Casualty; secretary, Walter Mast, Continental Casualty; chairman of board, Ernst F. Hanson, Cass & Johansing; directors, Byron D. Williams, Connecticut General Life; O'Brien Sawyer, Aetna Life, and F. B. Alldredge, Occidental Life. The installation banquet was held the evening of Jan. 19.

Expect Large Attendance

The Chicago Accident & Health Association's stag party Feb. 4 will draw a large attendance, according to early indications. The get together will be conducted along the same lines as the successful party held last year. R. M. Ayres, Hooper-Holmes Bureau, is chairman.

National Committee to Meet

The National Accident & Health Insurance Week committee will meet at the Hotel McAlpin, New York, Jan. 29. Harold R. Gordon, executive secretary Health & Accident Underwriters Conference, Chicago, is chairman.

The New York Accident & Health Club will hold its meeting the evening of Jan. 28 at the Hotel McAlpin and will have as its speaker New York's assistant attorney in charge of the accident fraud division.

State Life, S. C., Chartered

The State Life of Florence, S. C., has been chartered to write life, health and accident with authorized capital of \$20,-

000. Officers are: President, W. W. Singletary; vice-president, E. L. Chapman; secretary, J. G. Dodd; treasurer, C. K. Grimsley.

SURETY

**Ohio Agents Will Survey
State's Surety Bond Needs**

COLUMBUS, O., Jan. 20.—The Ohio Association of Insurance Agents is planning to undertake a survey of the surety bond needs of the state government. A company-agents committee is to be named, as a result of a conference between H. D. Silver of the state committee on economy in government and Secretary John A. Lloyd of the agents organization. An effort will be made to determine whether the state is adequately protected, and if the state is receiving maximum coverage with minimum cost.

The nucleus of this committee will be the surety committee of the state association, which is made up of L. Calvin Jones, Youngstown; R. H. Pfeil, Cleveland, and Harold Jones, Middlebury. Conference companies will be represented by George B. Ainslie, Jr., and the domestic companies by Frank R. King of Hamilton. Mr. Ainslie is president of the Ohio Association of Casualty Surety Managers.

**Federal Deposit Insurance
Not to Provide Bond Cover**

WASHINGTON, Jan. 20.—Reports that the Federal Deposit Insurance Corporation intends to enter the fidelity business in competition with private companies have been denied by Chairman Leo T. Crowley. Mr. Crowley said that the corporation is not considering any plan to issue policies against embezzlement and defalcations by bank officers and employees.

Under the requirements of the banking law, the board scrutinizes the fidelity policies of each member bank, as the law requires the corporation see that the banks carry adequate policies, said Mr. Crowley. Banks with inadequate coverage are asked to take out additional policies and the corporation has the power to take out the fidelity policies for the bank if it fails to follow the instructions. These policies are taken out with private companies.

It is reported that banks anxious to obtain reductions in surety rates are actively campaigning for a plan that the Federal Deposit Insurance Corporation issue surety protection in connection with its bank deposit insurance. It may be that such a measure will be introduced in Congress, but it is doubted if such a move will get very far if it is opposed by the FDIC.

Minor Liquor Bond Changes

Manual sheets sent out by the Towne Bureau on intoxicating liquors, beer and wine bonds show only two changes. The rate for beer bonds in Iowa has been reduced from \$10 to \$7.50 per thousand. A decrease from \$18 to \$16 per thousand also was made in Massachusetts for bonds of agents, brokers and solicitors for liquor orders. This is a bond required by statute. No other disturbance of rate levels is shown in the sheets, which merely complete and put in permanent form promulgations previously made in mimeographed sheets.

FDIC in First Bond Suit

LINCOLN, NEB., Jan. 20.—In the first suit of its kind to be filed, the Federal Deposit Insurance Corporation is seeking to hold the National Surety on the \$10,000 fidelity bond issued to officers of the defunct First National Bank of Pender, Neb. The government, although it has never prosecuted anyone, claims that \$33,873 was lost by fraudulent conduct of officers.



Organized 1875



ACCIDENT AND CASUALTY INSURANCE COMPANY
OF WINTERTHUR, SWITZERLAND
111 JOHN STREET
NEW YORK

Statements January 22, 1936

ASSETS

U. S. Treasury Bonds and Notes	\$1,390,291.54
Other Bonds	484,505.00
Stocks	137,543.87
Accrued Interest	16,519.07
Cash in Banks	<u>1,037,080.82</u>
	\$3,065,940.30

All Securities taken at Market Value January 22, 1936.

LIABILITIES

Voluntary Contingency Reserve	\$ 565,940.30
Statutory Deposit, New York	850,000.00
Net Surplus above Deposit	<u>1,650,000.00</u>
Surplus to Policy Holders	<u>2,500,000.00</u>
	\$3,065,940.30

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An agent's business
can be only as sub-
stantial and lasting
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